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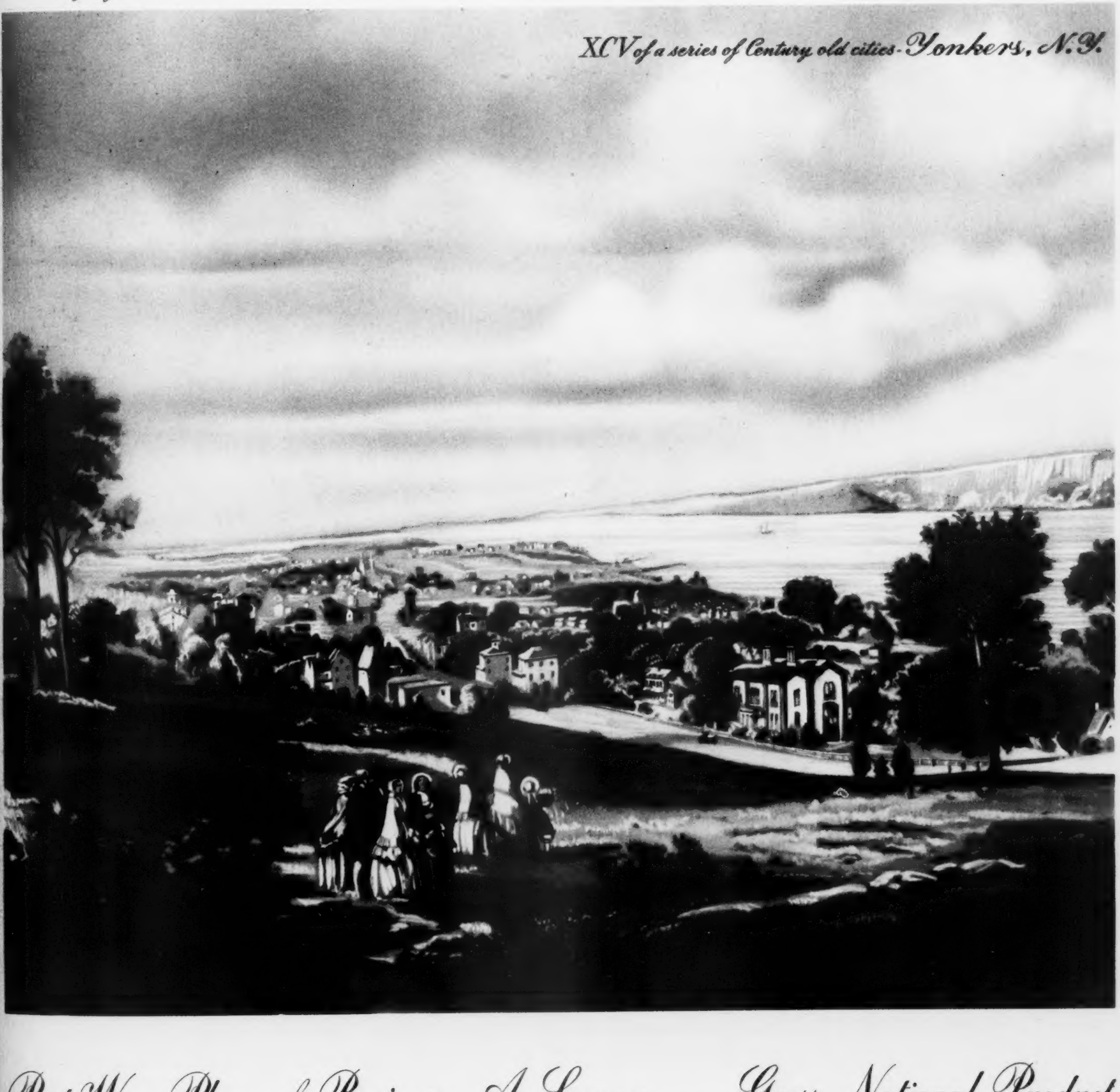

Post-War Plans of Business; A Survey . . . Gross National Product Projections for Full Employment: Measuring the Labor Force in 1950

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The Cover

On the east bank of the Hudson River, in Westchester County, N. Y., Yonkers overlooks the towering Palisades.

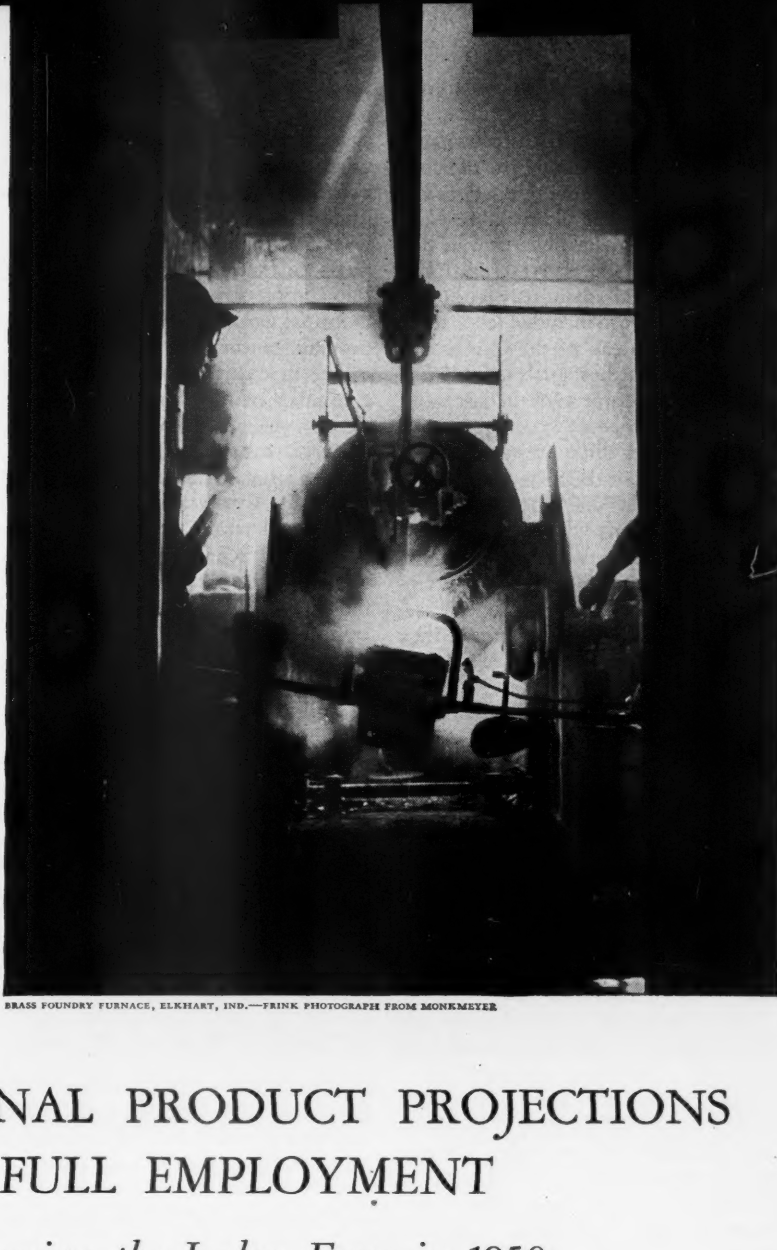
Adrian van der Donck, lawyer and historian, acquired in 1646 from the Dutch West India Company, the land on which the city is built. Near the mouth of Nepperhan Creek (now known as Saw Mill River) he built a sawmill and settlement camp called De Jonkheer's Land, from which Yonkers derived its name.

After the land passed into the hands of Frederick Philipse, this patroon in 1682 built for his son the Philipse Manorhall which is considered a masterpiece of Colonial architecture. Yonkers secured this building in 1867 and used it as a city hall from 1872 until 1908 when New York State bought it and converted it into a State museum.

Yonkers, with a 1940 population of 142,598, had 114 manufacturing establishments in 1939, producing goods valued at $50,991,994. The 1939 retail sales of 1,952 stores totalled $55,232,000; the 772 service establishments had receipts of $5,238,000; and 116 wholesalers had sales amounting to $32,285,000.

The local industries include sugar refineries, foundries, and machine shops as well as manufacture of carpets, elevators, wire and cable, chemicals, garments, dental supplies, and commercial alcohol.

The cover print, depicting Yonkers in the 1850's, was obtained from the Hudson River Museum at Yonkers.



BRASS FOUNDRY FURNACE, ELKHART, IND.—FRINK PHOTOGRAPH FROM MONKMEYER

HOW many people will want jobs after the war is over? This question is basic in the much discussed estimates of economic activity necessary for post-war national prosperity. The various 1950 labor force figures used by different authorities depend upon assumptions and points of view. Here these are reviewed and compared; the forces and developments that will affect the size of the future labor force are noted and examined.

GROSS NATIONAL PRODUCT PROJECTIONS FOR FULL EMPLOYMENT

III. Measuring the Labor Force in 1950

EDWIN B. GEORGE

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Associate Editor, Dun's Review

THE various estimates of post-war Gross National Product[1] are not forecasts but goals—measures of levels of national activity which the estimators believe would satisfy the requirements of "full employment." Therefore, there is a direct relationship between the estimated number of workers available in 1950 and the gross national product. The experts have come up with a difference of some 4 million workers in their estimates of the size of the effective 1950 labor force. For gross national product, this makes a difference of as much as 13 or 14 billion dollars.

The labor force does not mean the number of civilian jobs that will have to be provided. Abbreviating the definition used by the Bureau of the Census, it consists of persons who had jobs (including members of the Armed Forces) or were seeking work. Even under the best of circumstances, there will always be more members of the labor force than the number actually employed, because of what is called labor float or frictional unemployment —workers who are unemployed because of illness, pauses between jobs, shifts from one job to another, chronic

[1] See George, Edwin B., "Gross National Product Projections for Full Employment—II. Contrasting Estimate: Range and Reasons," Dun's Review, May 1945.

absenteeism, or technological adjustments of the briefer sort.

To estimate the labor force for any given year should not be so difficult. After all, there is the United States Census itself. Good old rock, the Census—a solid point of departure in this swamp of unstable statistics. The Census knows all about us. Although the Census of 1940 included labor force figures, the Bureau of the Census has given them further analysis and has fixed the labor force as of the last week in March 1940 at 53,299,000 persons.[2]

These figures differ from those presented in most of the Sixteenth Census reports, in that they include adjustments for persons whose employment status was not reported and for the public emergency workers whose employment status was improperly returned in the Census and in that they exclude persons in the NYA Student Work program. To obtain a figure representing the average labor force for the year, the end of March data of the census must be adjusted. A rough allowance of 1,000,000 is made for seasonal employment, particularly the Summer employment of school children and seasonal agricultural workers neither of which would appear in March figures. The secular increase for the year is estimated by the Bureau of the Census at about 600,000; as one-fourth of this number is already included because of the count date, only one-fourth more—or 150,000—must be added to adjust for secular increase.

One further adjustment is needed, which while really a change in definition eliminates the necessity of guessing at how much of the 1950 military establishment will be beyond the continental borders. This figure is estimated at 150,000 persons. The total of these three items—1,300,000 persons—is added to the official census figure, giving an adjusted figure of 54,600,000 persons as the average labor force for the year.[3]

The use of the Census benchmark faces one challenge which is not statistical but sociological, economic, and psychological. Is it proper to use labor force figures for 1940, a year with over 7,000,000 unemployed as a basis for estimating the glorious year of 1950 with its assumed full employment? Does the number at work and seeking work vary with general business conditions? Will prosperity attract marginal workers into the labor force or will it release marginal workers from the necessity of providing income?

The first supposition is major with a number of the projectors, and they develop their case along the following lines. If times are good and help is wanted from somewhere it usually appears. Prosperity and the prospect of fairly good wages will draw out men and women who otherwise would put other considerations first. A good many people who would not even stand up to be counted in a poor year, either because of discouragement or preference for other modes of living at the prevailing wage rates, might come very much alive in the bracing atmosphere of general prosperity. If a lot were being paid for a little most everyone would be in the labor force unless he were terribly allergic to green. Our national goal is not merely full employment but also maximum production, and according to the aggressive school we want to count everyone who can make a contribution and can be lured into action.

Tends to Withdraw Workers

The second supposition concerning these imponderable looks exactly in the opposite direction. Many workers work not from choice, but from necessity. Consequently, good wages for the head of the family, or the inducement to matrimony which such wages offer, take women out of the labor market instead of into it. To a lesser extent, for reasons satisfactory to themselves in each case, this may be true even of the young, and of the old, and of the less eager types of marginal workers. If potential "goals" are to be helpful and not merely disturbing they must be sensible.

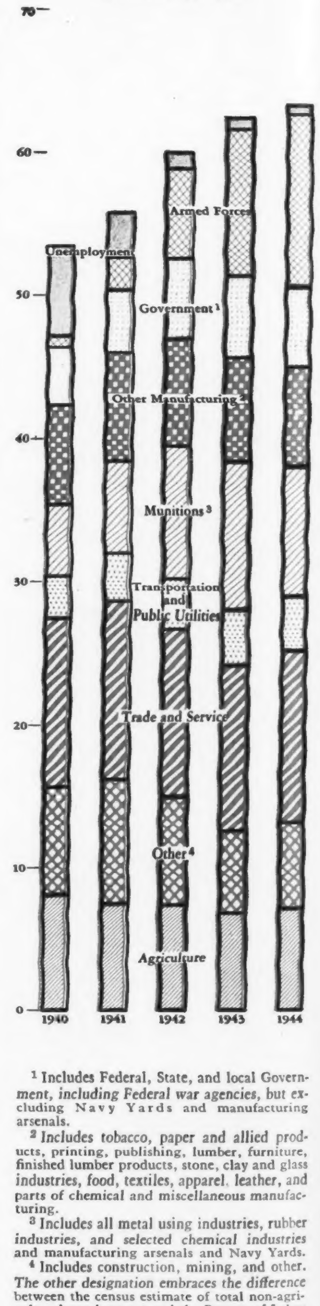
Each supposition has its counteracting argument. The second group asks the first why it is necessary to include these marginal workers in full employment requirements—these persons who lead fairly contented lives in the home, on the farm, or in the pool room, and are washed into the labor force only when prosperity brims over. In effect, some of them wait for prosperity to

[2] U. S. Bureau of the Census, "Normal Growth of the Labor Force in the United States: 1940 to 1950," (prepared by John D. Durand), Mimeographed series p. 44, No. 12, June 12, 1944.

[3] The only other original data is provided by a monthly poll of the labor force begun under WPA auspices late in 1939, and which utilizes sampling techniques similar to those of the various opinion polls. The poll data covers the civilian labor force only. After adjusting the April 1940 poll figure for seasonal and secular trends and for members of the regular military establishment, the total comes to 54,600,000, the same as the adjusted census count. The sampling count for the April poll was started with the population census count in the last week in March, but extended several days into April. Thus it is designated as the April figure, but is virtually equivalent to the last week in March.

THE WARTIME LABOR FORCE

(in millions of workers December, 1940-1944)



[1] Includes Federal, State, and local Government, including Federal war agencies, but excluding Navy Yards and manufacturing arsenals.

[2] Includes tobacco, paper and allied products, printing, publishing, lumber, furniture, finished lumber products, stone, clay and glass industries, food, textiles, apparel, leather, and parts of chemical and miscellaneous manufacturing.

[3] Includes all metal using industries, rubber industries, and selected chemical industries and manufacturing arsenals and Navy Yards.

[4] Includes construction, mining, and other. The other designation embraces the difference between the census estimate of total non-agricultural employment and the Bureau of Labor Statistics' estimate of employees in non-agricultural establishments. This takes in self-employed, proprietors, domestic servants, and unpaid family workers.

The data for agricultural workers and non-employment is from the *Monthly Report on the Labor Force*, Bureau of the Census. The data on components of the non-agricultural employment is from the Bureau of Labor Statistics and is preliminary for 1944.

come up to them instead of helping to make it. Need optional workers be solemnized into a national responsibility, and should an initially staggering "full employment" goal for business be pushed even higher to allow them to enjoy a pleasant ride which they would not otherwise care to take?

In reply, they are bluntly informed that the pre-war labor force as customarily computed already understates the number of those desiring work. The main reason for their non-appearance was disheartenment, not choice. Given a decent opportunity they would be in there pitching. Employment would not be really "full" unless the eager and willing fringe were included at appropriate remuneration.

It is not hard to believe that both premises have truth in them. In 1940 the Social Science Research Council issued a study by Dr. W. S. Woytinsky ("Additional Workers and the Volume of Unemployment in the Depression") which suggests that "additional" and doubtless different job-seekers are drawn into the market in both depression and prosperity.

Two of the experts may be quoted in connection with the general problem. Dr. Jacob L. Mosak,[4] whose labor force estimate of 62.8 million is the highest given for 1950, reaches that figure in part because he believes that the number of middle aged workers in 1940, as recorded by the Census, was abnormally low because of the previous disheartening decade of depression. Because of this fact, he finally decided to strike out directly from the state of affairs as found in 1944 and estimated changes which he thought likely to occur by 1950.

Dr. Rufus S. Tucker[5] feels that most of the labor force estimates are exaggerated. According to his reckoning they assume a larger proportion of the adult population working or seeking work "than this country has known since 1920," in the face of acknowledged trends towards longer schooling and earlier retirement. It is Dr. Tucker's most earnestly made point that the ranks of "labor" are swelled unnaturally by depression rather than by prosperity. Dr. Tucker stresses necessity.

Conflicting Philosophies

The two philosophies clash head on in Dr. Tucker's belief that the Census overstates the "normal" labor force of 1940—he calls it an abnormal depression labor force—and his opponents' assumption that the cheerful days being planned for 1950 will give new heart to men and women who had been driven from the hiring halls by sheer discouragement.

Dr. Tucker in effect builds our economic life around "logical supporters," contending that many young people and women work and seek work only when their adult male relatives cannot get jobs. As one illustration, he cites Bureau of the Census studies of the monthly labor force as showing that the number of women therein in April 1941 was actually smaller than in April 1940. He regards the decline as occurring not despite, but because of improved conditions. (Of interest, this decline was reversed in the figure for May 1941, and in subsequent months; the war influence clouds any analysis.) He further notes that "as late as 1942 the number of women between 20 and 35 actually in the labor force was below the officially estimated normal on account of high war employment and high wages for men, and high marriage and birth rates."

Dr. Clarence D. Long[6] suggests another consideration here. "It is more likely, however, that in the early period of the Selective Service Act, the threat to draft husbands caused more women to leave, or refrain from entering, the labor force in order to establish a dependency case for deferment."

On this controversy, with its occasional displays of heat, Long dashes a substantial quantity of cold water. His examination of the available data leads to the conclusion that "the prosperity to be in the productive labor force is rather insensitive to economic fluctuations. That this is so is shown by the Census experience, and, when effects of the draft are eliminated, by the monthly poll experience also. . . . The outstanding reaction characteristic of the labor force is its stability of size relative to the population." One Census study also has some bearing on the problem, by showing that in 1940, there

(Continued on page 36)

[4] Mosak, Jacob L. "Forecasting Postwar Demand," *Econometrica*, January 1945.

[5] Tucker, Rufus S. "Projections of National Income," *The Conference Board Business Record*, December 1944—January 1945.

[6] "The Labor Force in War Time America," Occasional Paper No. 14, National Bureau of Economic Research, March 1944.

CUSHING PHOTOGRAPH

POURING LEAD—PINNEY PHOTOGRAPH FROM MONKMEYER

POST-WAR PLANS OF BUSINESS;

A Survey

A Summary of a DUN & BRADSTREET *Research Project Prepared by the Marketing and Research Service*

BUSINESS men, economists, soldiers, clerymen, housewives—everyone are looking forward to a "new and better world" after the war ends. This hopeful, youthful attitude prevails despite the widespread destruction and dislocation brought about by the war. The disruption of normal activities has been so complete and so extended that it is natural to regard the post-war period as affording an opportunity for a fresh start.

It has, however, occurred to at least one historian* to ask himself and others the question "How new will the better world be?" The general answer he found might be phrased colloquially "Not so new as you'd think." In most respects, obviously, the post-war world will be pretty much like the pre-war world—especially here in the United States. One of the objectives of the war is to maintain the things and systems we cherish and believe in. But there will be changes, lots of them.

An idea of the amount of change in prospect for business is important as a guide to improvement and expansion of services. One way of judging the amount and nature of coming business changes is by finding out what business men are thinking on the subject. It is, of course, true that all the changes planned may not materialize after the war. It is also true that all who say they have post-war plans may not have the follow-through and fortitude to ripen those plans. Nevertheless the current attitudes of business men do affect the situation and the prospects of business and thus have an important effect upon the plans of others.

To secure a rough idea of the amount of ferment of this type working in American business, DUN & BRADSTREET, INC., conducted a business poll on prospective post-war changes in merchandising.

By means of the questionnaire, the agency asked about 170,000 business concerns, mostly manufacturers and wholesalers, the following questions:

"Are you planning to:

"1. Manufacture or wholesale new products or lines?

* Carl L. Becker, *How New Will the Better World Be?*, Alfred A. Knopf, 1944.

"2. Sell new classes of customers?
"3. Expand or contract your sales territory?
"4. Use new methods or channels of distribution?

"Do you contemplate any other fundamental change in the operation of your business?"

More than 27,000 of the questionnaires were returned, a response of better than 15 per cent. Of these something over 22,000 were usable returns from manufacturers and wholesalers.

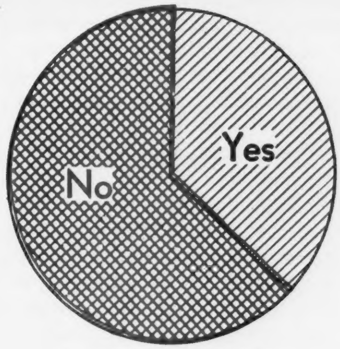
In any such survey where responses depend entirely on voluntary action, they are likely to come principally from the more progressive and aggressive concerns. As a consequence, the amount of change indicated for any given line or for business as a whole probably exceeds by an undeterminable amount the typical amount of change in that line or in business as a whole.

Replies Summarized

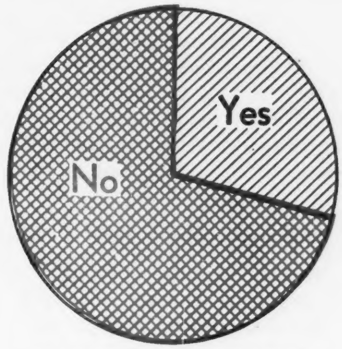
The replies received are summarized in the two tables on page 15. They indicate that the changes most commonly planned by business men relate to the expansion of sales territories and the addition of new lines or new products. A smaller proportion (about one in three) of the concerns expect to seek new classes of customers; and still fewer (one in every four) envisage changes in methods or channels of distribution. Only about one manufacturer in every eight, and one wholesaler in every six plans other fundamental changes. This last is not so surprising as it seems when first compared with the other percentages. Any higher affirmative response on fundamental changes (which are not to be taken lightly) would probably have indicated a tendency to answer carelessly.

Wholesalers appear, from their replies to the questions, to be more inclined than manufacturers to modify their merchandising policies and practices after the war (compare tables 1 and 2). Doubtless this results from the fact that wholesaling itself is a merchandising operation whereas merchandising is only a part of the job of the manufacturer. Another possible explanation may lie in the fact that wholesaling is in a greater state of flux than manufacturing and therefore has a keener awareness of change and more will to meet change. Another indication of the greater flexibility of wholesalers is found in the startling uniform-

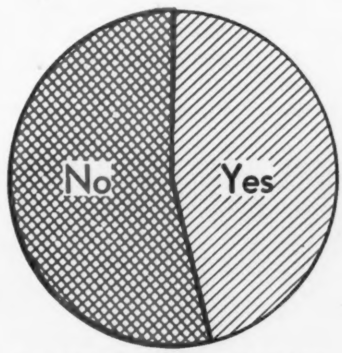
MANUFACTURERS



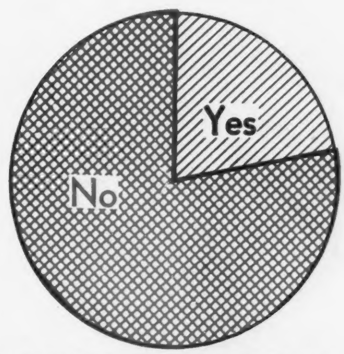
PLAN TO MANUFACTURE NEW PRODUCTS?



PLAN TO SELL NEW CLASSES OF CUSTOMERS?

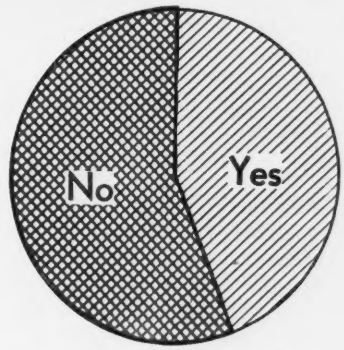


PLAN TO EXPAND OR CONTRACT SALES TERRITORIES?

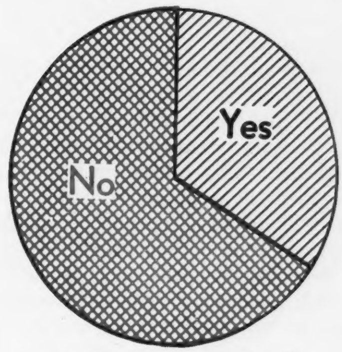


PLAN TO USE NEW METHODS OR CHANNELS OF DISTRIBUTION?

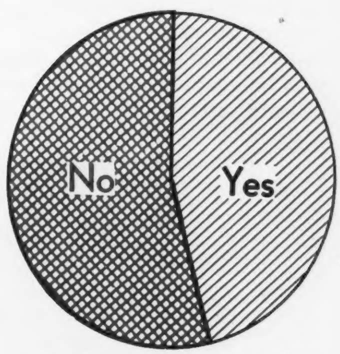
WHOLESALERS



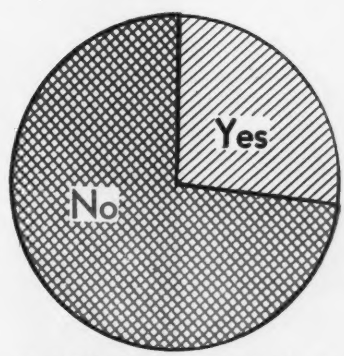
PLAN TO MANUFACTURE NEW PRODUCTS?



PLAN TO SELL NEW CLASSES OF CUSTOMERS?



PLAN TO EXPAND OR CONTRACT SALES TERRITORIES?



PLAN TO USE NEW METHODS OR CHANNELS OF DISTRIBUTION?

ity of responses among the several size groups. Even the smallest wholesalers are apparently prepared to make many adjustments in the years that lie ahead.

Among manufacturers, more of the extremely large concerns—those whose estimated net worth exceeds $1,000,000—expect to make changes than is true of the smaller producers. It has been suggested that this is because the large concerns already make many products and are continually adding new lines. The fact that almost half of them plan to manufacture new products after the war represents, it is pointed out, no particular change for them. It is merely normal procedure. An equal proportion of them would probably have introduced new products if there had been no war.

This multi-product explanation does not, however, account for the fact that more of the largest concerns also plan to sell to new classes of customers, expand their sales territories, and use new methods or channels of distribution. These plans are understandable, however, if one remembers that, in most of the extremely large concerns, the ingenuity and ability which brought them to their present size are probably continuing traits which affect future policy and planning.

Among the smallest manufacturers—with estimated net worth of less than $20,000—the percentage which plan to sell new classes of customers, use new methods or channels of distribution, and expand sales territories is larger than in the two size groups immediately above them. One can only surmise the reasons. The explanation may be merely the obvious one that a small net worth is indicative of a sales volume inadequate to support a reasonable return to the owners or managers.

The fact that about half of the concerns in both manufacturing and wholesaling expect to expand their sales territories is a clear indication of the increased competition to be expected after the war. The proportion of concerns which expect to contract their territories is negligible; indeed it would seem at first glance surprising that there are any such. On further reflection, however, one wonders whether sufficient consideration has been given by business men to the findings of the U. S. Department of Commerce and others that most companies can increase their net profits by limiting their sales activities to fields which can be covered efficiently instead of continually aspiring to bigness.

Anticipate Many New Products

Among manufacturing groups, the automobile, chemical, electrical machinery, machinery, rubber, and transportation equipment industries are those in which changes in lines, customers, sales territories, and methods of distribution are most widely expected (see table 1). These are all industries in which large companies predominate, each manufacturing many products and each constantly experimenting with new products and new applications of existing products. There are, however, as has previously been suggested, other explanations of plans for new products.

In the automobile industry, for instance, there is some question whether the disposition toward change indicates an unsuspected vitality in an industry now regarded by most as mature, or the realization that further progress with existing products is limited; that new lines must be found if the industry is to make anything like the long-term progress in the future that it has made in the past.

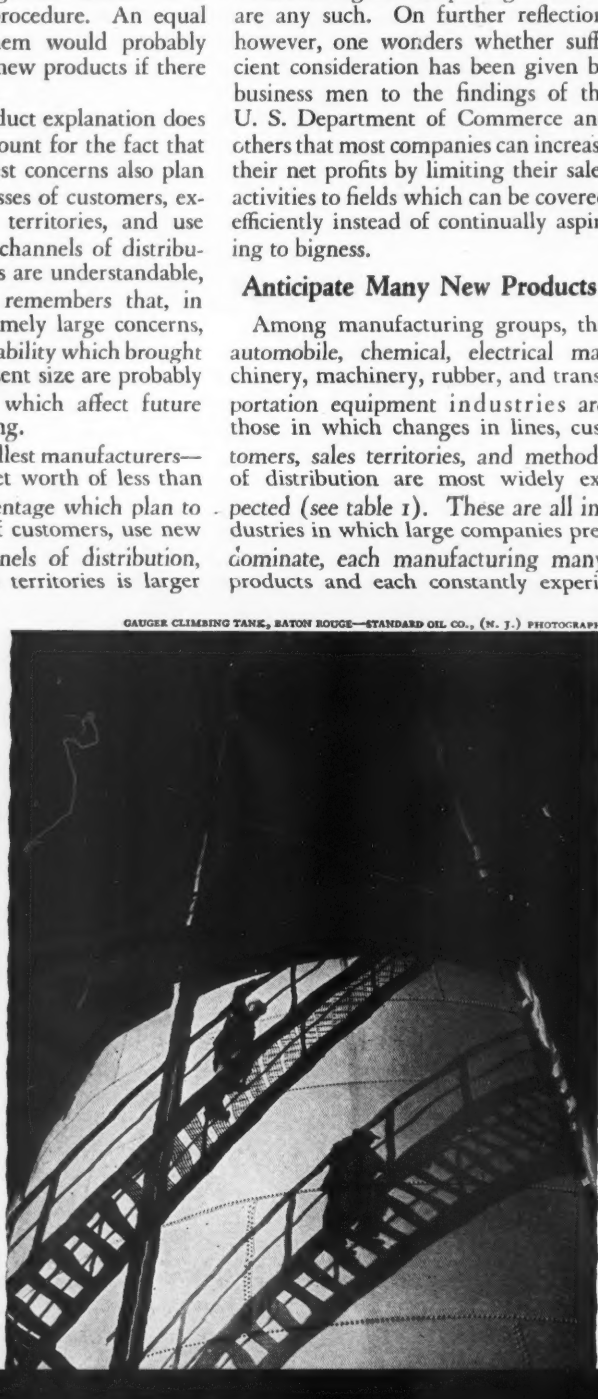
The great future before the chemical and electrical machinery industries is, of course, generally conceded. To expect many changes in these two fields is simply to anticipate a continuation of the conditions which have prevailed for many years.

The machinery and transportation equipment fields, on the other hand, will be forced to make many changes when they turn to supplying the civilian market. Transportation equipment includes aircraft and ships, as well as railroad equipment, motorcycles, bicycles, and so on. Facilities for producing machinery, aircraft, and ships have been so expanded by war demands that not even the most optimistic boosters of these lines expect that after the war they can find civilian markets for anything like the output of recent years. Clearly a substantial proportion of the facilities of aircraft, machinery, and shipbuilding plants must be devoted to manufacturing other products if markets are not to be glutted, competition to reach ruinous proportions, and profits to be wiped out for practically everybody in the field.

Rubber manufacturers anticipate many changes because the enforced utilization of synthetic rubber during the war has revealed many uses in which the artificial product is definitely superior to natural rubber. In addition, the industry is prepared to resume, as soon as the pressure for war production is eased, the development of rubber products well under way before the war, such as foamed latex for cushioning seats, rubber moisture proof and air proof films to cover and preserve products, and so on.

In the tobacco manufacturing industry, although comparatively few of the concerns report plans for introducing new products, finding new customers,

GAUGER CLIMBING TANK, BATON ROUGE—STANDARD OIL CO., (N. J.) PHOTOGRAPH



I. Post-War Changes Planned by Manufacturers[1]

Industry Groups[2]	Plan to Manufacture New Products?		Plan to Sell New Classes of Customers?		Plan to Expand or Contract Sales Territories			Plan to Use New Methods or Channels of Distribution?	
	Yes %	No Change %	Yes %	No Change %	Expand %	Contract %	No Change %	Yes %	No Change %
Apparel	21	79	19	81	43	*	57	18	82
Automobiles	46	54	42	58	55	*	45	31	69
Chemicals	56	44	39	61	61	2	37	28	72
Electrical Machinery	52	48	37	63	51	1	48	29	71
Food	31	69	23	77	48	*	52	23	77
Furniture	32	68	21	79	41	1	58	16	84
Iron & Steel	38	62	34	66	44	1	55	22	78
Leather	35	65	25	75	46	*	54	21	79
Lumber & Timber	24	76	22	78	25	*	75	17	83
Machinery (Not Elec.)	48	52	39	61	55	*	45	27	73
Non-ferrous Metals	38	62	31	69	41	*	59	22	78
Paper	42	58	36	64	44	2	54	17	83
Petroleum & Coal	33	67	35	65	49	*	51	21	79
Printing & Publishing	23	77	29	71	38	1	61	20	80
Rubber	52	48	38	62	46	3	51	29	71
Stone, Clay & Glass	33	67	24	76	38	1	61	15	85
Textiles	33	67	26	74	38	*	62	16	84
Tobacco	11	89	9	91	64	*	36	16	84
Trans. Equipment[3]	52	48	54	46	59	2	39	48	52
Other Manufacturers	48	52	32	68	48	1	51	26	74
Size Groups[4]									
$1,000,000 and over	44	56	31	69	47	1	52	22	78
$125,000–$1,000,000	34	66	27	73	44	1	55	18	82
$20,000–$125,000	34	66	27	73	44	*	56	21	79
Under $20,000	34	66	29	71	43	*	57	22	78
Size Unknown	43	57	38	62	53	*	47	30	70
All Reporting Concerns	37	63	29	71	46	*	54	22	78

* Less than 1 per cent.
[1] Based on reports by 13,666 manufacturers.
[2] Each industry group includes not only the products named, but also kindred and allied products, and, in the metal groups, products made from the metals named.
[3] Includes aircraft and parts, shipbuilding and repairing, railroad equipment, motorcycles, bicycles and parts, etc.
[4] Estimated net worth from Dun & Bradstreet ratings.

II. Post-War Changes Planned by Wholesalers[1]

Trade Groups	Plan to Wholesale New Products?		Plan to Sell New Classes of Customers?		Plan to Expand or Contract Sales Territories			Plan to Use New Methods or Channels of Distribution?	
	Yes %	No Change %	Yes %	No Change %	Expand %	Contract %	No Change %	Yes %	No Change %
Beer, Wines & Liquors	39	61	32	68	48	1	51	33	67
Chemicals & Drugs	54	46	39	61	54	1	45	32	68
Dry Goods & Apparel	35	65	32	68	48	1	51	27	73
Electrical Goods	67	33	49	51	48	1	51	37	63
Farm Prod.—Immediate Consumption	20	80	17	83	32	*	68	20	80
Farm Products—Raw Materials	10	90	15	85	32	*	68	18	82
Furniture & Housefurnishings	52	48	33	67	49	1	50	27	73
Groceries & Food Specialties	37	63	28	72	46	1	53	25	75
Hardware	54	46	42	58	47	1	52	28	72
Lumber & Construction Materials	36	64	30	70	37	1	62	22	78
Machinery, Equip. & Supplies	49	51	37	63	44	1	55	24	76
Metals & Minerals	35	65	32	68	36	*	64	19	81
Motor Vehicles & Automotive Equip.	58	42	44	56	53	1	46	34	66
Paper & Its Products	56	44	41	59	50	1	49	28	72
Petroleum & Its Prod.	43	57	40	60	51	*	49	39	61
Plumbing & Heating Equip. & Supplies	57	43	39	61	40	*	60	29	71
Tobacco & Its Prod. (except Leaf)	39	61	33	67	47	*	53	29	71
Waste Materials	23	77	24	76	38	*	62	15	85
Other Wholesalers	42	58	33	67	48	1	51	28	72
Size Groups[2]									
$1,000,000 and over	45	55	34	66	44	2	54	26	74
$125,000–$1,000,000	44	56	30	70	42	1	57	23	77
$20,000–$125,000	44	56	35	65	46	*	54	28	72
Under $20,000	44	56	35	65	47	*	53	28	72
Size Unknown	45	55	38	62	50	*	50	31	69
All Reporting Concerns	44	56	34	66	46	*	54	27	73

* Less than 1 per cent.
[1] Based on reports of 8,648 wholesalers.
[2] Estimated net worth from Dun & Bradstreet ratings.

or using new methods of distribution, more than five-eighths of those responding (the largest proportion for any industry) expect to expand their sales territories. It is not difficult to see that these plans, if carried out, presage aggressive advertising and merchandising campaigns of a scope hitherto undreamed of.

In food manufacturing, where comparatively few concerns reported planning merchandising changes, the percentage expecting to make "other fundamental changes" is slightly larger than in other industries. This is a bit surprising until it is realized that the "other fundamental changes," as indicated by comments written in on the questionnaires, consist principally of enlargement of facilities (larger plants, additional floor space, new machinery, more capital, and establishment of branches), development of foreign markets, and concentration on fewer types of products to control and reduce labor costs.

Numerous Changes Foreseen

Among wholesalers the trades most disposed to make changes after the war are dealers in electrical goods and motor vehicles (see table II). The reasons which encourage these trades to consider changes have already been discussed.

Other trades which rank high in the proportion of concerns planning for changes are wholesalers of paper (many new uses for which have been developed during the war), wholesalers of hardware (who expect particularly to seek new classes of customers), wholesalers of plumbing and heating equipment and supplies (a large proportion of whom look forward to introducing new lines), wholesalers of petroleum (more than half of whom expect to expand their sales territories), and wholesalers of beer, wines and liquors (a third of whom are planning to change their methods or channels of distribution).

In general, the higher degree of fabrication of the articles made or sold, the greater the disposition to plan changes. The concerns which indicate the greatest tendency to be satisfied with the status quo are wholesalers of farm products, including both products for further processing and goods for immediate consumption. At the other end of the scale, the concerns most ready to change are manufac-

(Continued on page 53)

THE TREND OF BUSINESS

SUMMARY: Industrial production remains high although with signs of decreases already apparent. Manpower and material shortages impede reconversion. Retail volume compares favorably with last year's high level. Commodity prices are up slightly to new war peaks.

WHILE some adjustments in production schedules took place soon after the end of hostilities in Europe, industrial output continues high, close to the very high 1943 level. A reduction in the volume of production is already apparent in some major industries.

Although certain restrictions and limitations have been revised, relaxed, or revoked, at the same time some of the munition programs have been increased substantially. Controls on many vital and scarce items remain in effect. Certain essential civilian goods, such as railroad equipment, trucks, farm machinery, and oil drilling equipment were some of the first items considered for immediate production. Limitations on most hard goods, however, are being retained.

The labor supply, however, continues to be a determining factor in the output of consumer goods. Production of some goods is also hampered by the shortage of raw materials; furniture output is limited by the lack of fabrics and lumber. Other industries, such as pulp and paper, containers, textile, lumber, leather, rubber, lead, and various chemicals continue to feel the impact of scarcities, with no immediate prospect of controls being lifted for some time.

The Spot Authorization Plan, under which manufacturers can produce civilian goods with excess stocks when labor is available, remains in effect. In acute labor shortage areas, restrictions from making full use of available excess material have been somewhat relaxed.

While there have been some cutbacks and cancellations—schedules for new war plants, tanks, small arms, ammunition, and certain types of airplanes have tapered off—requirements for other important war items have been stepped up. Aircraft production in April at 9 per cent below a month earlier was 1 per cent above schedule; emphasis is now on heavier models.

An easing is apparent in the demand for some metals; the volume of war orders for steel, copper, and aluminum has declined moderately. Steel cancellations in April and early May were even or slightly below those in March in some instances. With the arrival of V-E Day cancellations and cuts are proceeding at a faster pace. Steel ouput in April dropped about 400,000 tons to 7,308,579 tons; in April 1944, 7,593,688 tons of steel ingots and castings were produced. Despite the high production rate, malleable iron continues scarce as demand remains heavy. Lead supplies are scarce despite smaller military needs and the recent addition to stocks.

Zinc production in April declined to 68,223 tons from 71,739 tons a month earlier and 80,405 tons a year ago. The month's shipments declined considerably to 74,356 tons from 94,494 tons in March.

Even though lack of manpower is still the important factor in the declining output of many textile products, shortages of certain vital raw materials are chiefly responsible for holding down civilian output of some textiles. The scarcity of fabrics is partly to blame for the drop in production of upholstered furniture and of floor coverings. Cotton textile op-

Industrial Production

Seasonally Adjusted Index; 1935-1939 = 100; Federal Reserve Board

	1942	1943	1944	1945
January	181	227	243	234
February	183	232	244	236
March	186	235	241	236
April	[illegible]	237	239	237 *
May	191	239	236	
June	193	237	235	
July	197	240	230	
August	204	242	232	
September	208	244	230	
October	215	247	232	
November	220	247	232	
December	223	241	232	

Cost of Living

Index; 1935-1939 = 100; U. S. Bureau of Labor Statistics

	1942	1943	1944	1945
January	112.0	120.7	124.2	127.1
February	112.9	121.0	123.8	126.9
March	114.3	122.8	123.8	126.8
April	115.1	124.1	124.6	127 *
May	116.0	125.1	125.1	
June	116.4	124.8	125.4	
July	117.0	123.9	126.1	
August	117.5	123.4	126.4	
September	117.8	123.9	126.5	
October	119.0	124.4	126.5	
November	119.8	124.2	126.6	
December	120.4	124.4	127.0	

Wholesale Commodity Prices

Index; 1926 = 100; U. S. Bureau of Labor Statistics

	1942	1943	1944	1945
January	96.0	101.9	103.3	104.9
February	96.7	102.5	103.6	105.2
March	97.6	103.4	103.8	105.3
April	98.7	[illegible]	[illegible]	105.5 *
May	[illegible]	104.1	104.0	
June	98.6	103.8	104.3	
July	98.7	103.2	104.1	
August	99.2	103.1	103.9	
September	99.6	103.1	104.0	
October	100.0	103.0	104.1	
November	100.3	102.9	104.4	
December	101.0	103.2	104.7	

Employment

Millions of Persons; U. S. Bureau of Census

	1942	1943	1944	1945
January	49.1	51.4	50.4	50.1
February	49.6	51.2	50.3	50.6
March	50.2	51.2	50.5	50.8
April	51.1	51.6	51.3	51.2
May	[illegible]	[illegible]	[illegible]	
June	53.7	54.0	53.2	
July	54.3	54.8	54.0	
August	54.4	54.4	53.2	
September	52.9	53.0	52.3	
October	53.2	52.2	52.2	
November	52.6	51.7	51.5	
December	52.2	51.0	50.6	

Retail Sales

Seasonally Adjusted Index; 1935-1939 = 100; U. S. Dept. of Com.

	1942	1943	1944	1945
January	153.2	159.5	[illegible]	193.9
February	148.3	[illegible]	172.8	195.2
March	147.6	[illegible]	177.6	195.6
April	[illegible]	160.1	169.9	178 *
May	[illegible]	156.5	175.5	
June	141.8	164.5	175.0	
July	147.6	165.1	178.7	
August	150.3	167.7	178.5	
September	150.9	165.5	177.4	
October	154.3	168.3	183.6	
November	158.2	172.5	191.5	
December	153.9	171.4	187.9	

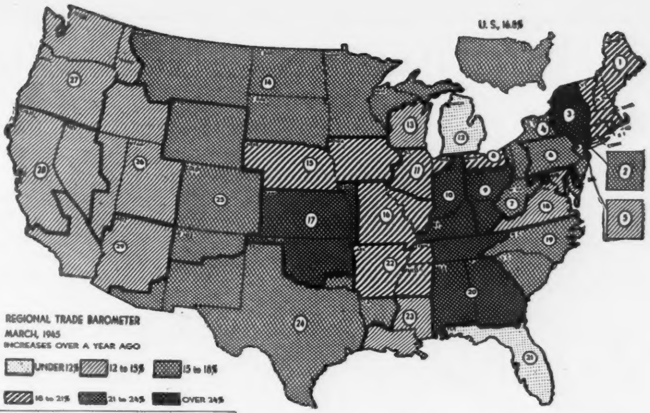
Industrial Stock Prices

Monthly Average of Daily Index; Dow-Jones

	1942	1943	1944	1945
January	111.1	121.52	137.74	153.95
February	107.28	127.40	135.97	157.13
March	101.62	131.15	[illegible]	157.22
April	97.79	[illegible]	[illegible]	160.47
May	98.42	138.60	139.22	
June	103.75	141.25	145.46	
July	[illegible]	142.90	148.37	
August	[illegible]	136.34	146.72	
September	[illegible]	138.90	145.20	
October	113.51	138.25	147.68	
November	115.31	132.66	146.88	
December	117.16	134.57	150.35	

* Approximation; figure from quoted source not available.

REGIONAL TRADE REPORTS



The DUN'S REVIEW TRADE BAROMETERS (1935-1939 = 100) are compiled under the supervision of Dr. L. D. H. Weld. In this summary the seasonally adjusted figures are used. The information on regional trade is gathered through local DUN & BRADSTREET offices. Payroll and employment figures are from Government sources. More detailed data are available in DUN'S STATISTICAL REVIEW. The barometer figures may be obtained in advance of publication.

Region	Mar. 1945	% Change from Feb. '45	% Change from Mar. '44	HIGHLIGHTS OF TRADE ACTIVITY
UNITED STATES	214.3	+ 6.4	+16.8	Seasonally adjusted index still mounting, now at 214.3 which is 3.6% above previous peak of last November.
1. NEW ENGLAND	184.5	+12.6	+18.3	Excellent barometer gain. Rhode Island business activity highest since September 1942. Massachusetts employment up due to war orders.
2. NEW YORK CITY	191.2	+ 1.6	+18.0	Monthly gains in employment and payrolls, notably in the apparel, metals, and machinery industries. Hotel sales 3% above last year.
3. ALBANY, UTICA, AND SYRACUSE	216.2	+19.7	+28.0	Industrial employment dropped with decrease in war work. Payrolls steady in Syracuse, Binghamton-Endicott-Johnson City areas, and down 9% from 1944 in Albany-Schenectady-Troy area.
4. BUFFALO AND ROCHESTER	219.7	+17.9	+17.6	Barometer jumped to 3% above national level. Employment below 1944 level in both Rochester and Buffalo. Payrolls off 9% in Buffalo, but good overtime pay in Rochester keeps payrolls 3% above last year.
5. NORTHERN NEW JERSEY	173.7	+ 6.6	+13.6	Barometer remained steady at 19% below national level. Newark industrial employment 5 to 10% below last year. Elizabeth employment and payrolls off fractionally from 1944.
6. PHILADELPHIA	204.1	+12.1	+15.4	Excellent monthly gain brought barometer to 5% below national level. Pennsylvania industrial employment 6% below last year's level.
7. PITTSBURGH	189.4	+13.5	+16.5	Barometer rose to 12% below U. S. level. Industrial employment and payrolls have declined further in the principal cities.
8. CLEVELAND	219.3	+ 5.2	+20.0	Toledo industrial employment about 6% below last year, Cleveland off 2%. Cleveland carloadings now moderately below a year ago. Toledo business activity holding up better than country as a whole.
9. CINCINNATI AND COLUMBUS	219.7	+ 5.1	+22.6	Industrial employment in Columbus 6% below 1944; Dayton off 8% with payrolls off 7%. Columbus carloadings 9% above a year ago. Slight flood damage in Columbus territory.
10. INDIANAPOLIS AND LOUISVILLE	250.7	+ 7.2	+21.2	Indiana business activity 6% above a year ago. Farm prices up 4%; parity prices reached new 25-year high. Payrolls rose 6% in last month, largest increases occurred in New Castle and Washington.
11. CHICAGO	210.0	+ 7.5	+18.3	Manufacturing employment and payrolls slightly below 1944 in Illinois. Declining employment in Chicago due to decrease in war work.
12. DETROIT	224.5	+ 2.5	+11.7	Michigan manufacturing employment 7% below 1944, and payrolls down 12%. Willow Run inaugurated a 40-hour week.
13. MILWAUKEE	217.2	+ 0.3	+13.4	Industrial employment from 5 to 10% below last year, payrolls off about 5%. Livestock receipts moderately below a year ago.
14. MINNEAPOLIS AND ST. PAUL	198.3	+ 1.7	+17.2	Yearly change good, monthly small; barometer dropped to 8% below U. S. level. Prices received by farmers at highest level since mid 1920, slight increases over last month and last year.
15. IOWA AND NEBRASKA	215.5	+ 8.4	+19.9	Yearly and monthly changes excellent; barometer now 1% above national level. Farm prices slightly above a year ago. Iowa land values highest in 15 years and 6% above last year.
16. ST. LOUIS	206.6	+ 5.0	+18.5	Yearly gain excellent; barometer 4% below U. S. War contract production generally up. Layoffs in meat packing industry.
17. KANSAS CITY	223.4	+ 0.8	+23.2	Yearly change continued well above average. Manufacturing employment and payrolls below 1944 level. St. Joseph livestock receipts off 50%.
18. MARYLAND AND VIRGINIA	230.4	— 0.1	+12.8	Yearly and monthly changes below normal; barometer down to 8% above average. Baltimore employment steady; Maryland industrial employment about 10% below 1944, payrolls off from 5 to 10%.
19. NORTH AND SOUTH CAROLINA	218.6	+ 1.9	+18.0	Regional barometer lowest in nearly a year, but still above average. Cotton acreage estimated about 10% less than last year. Employment and payrolls continue small monthly declines.
20. ATLANTA AND BIRMINGHAM	264.7	+ 1.7	+22.3	Atlanta textile industries gain workers as shipyards release them. Acute labor shortage has eased considerably. Oil boom in Georgia with discovery of oil bearing sand near Vidalia.
21. FLORIDA	228.4	+ 2.2	+ 6.7	Manufacturing activity and employment have decreased from last year. Citrus fruits doing well under irrigation.
22. MEMPHIS	243.9	+ 9.2	+18.2	Yearly and monthly gains continue above average. Excessive rains detrimental to crops. Industrial employment about 13% below 1944.
23. NEW ORLEANS	234.2	+ 0.9	+13.9	Oil activities continue upward. Industrial employment down 11%. New Orleans agricultural prospects good.
24. TEXAS	250.8	— 1.7	+16.2	Negative monthly change caused noticeable drop in the barometer. War contracts raised production indices above 1944 level. Cattle and ranges thriving; farm prices high.
25. DENVER	194.9	+ 2.9	+17.7	Yearly change above average for third consecutive month. Exceptional Winter wheat crop expected. Industrial employment 9% below 1944.
26. SALT LAKE CITY	213.7	— 1.0	+12.1	Barometer level slightly below national. Acute labor shortage prevalent although there is a 15% increase in employment over 1944.
27. PORTLAND AND SEATTLE	253.6	— 6.0	+14.4	Barometer dropped to lowest comparison in year—18% above national level. Lumber companies not attracting released shipyard labor, production still below 1944 level.
28. SAN FRANCISCO	234.7	+ 2.8	+15.0	Barometer dropped to 10% above average. Employment and payrolls off due to scarcity of war contracts.
29. LOS ANGELES	230.0	+ 2.0	+13.2	Barometer 7% above U. S. level. Business activity, employment, and payrolls up. Arizona orange crop 11% above last year.

erations have decreased further despite the heavy demand for duck and tent quills. Rayon production, in contrast, continues to increase, with shipments off only slightly from the previous month; in the first four months of this year, shipments were well above a year earlier because of the increase in tire yarn output.

Lumber requirements continue heavy despite the end of war in Europe. Military programs demand large quantities of lumber. More than two-thirds of hardwood veneer is for military uses. With the average monthly output of hardwood veneer about 30,000,000 feet less than a year ago, little is left for civilian furniture manufacturers. The shortage of mill workers and bad weather has tended to hold down output of lumber. Paper and pulpwood output remains at a high level; inventories are extremely low for the current heavy demand with some mills finding it necessary to cut quotas still further.

Glass container production in March reached the highest level in about a year and was only slightly below a year earlier; inventories at the end of the month were about 10 per cent below a month earlier because of the recent large increases in shipments. Paint production is reportedly restricted by heavy military needs for essential oils and chemicals.

Food production, adversely influenced by unfavorable weather and a drop in livestock output, is moderately below a year ago. Output of poultry, some dairy and fruit products, meats, and fats and oils, is reported at a low point.

Inventories—Reflecting the current heavy demand for goods, over-all manufacturers' inventories slid downward a little further and at the end of

SIGNIFICANT INDICATORS

COMPILED BY THE PUBLISHERS OF "DUN'S REVIEW"

More detailed figures appear in DUN'S STATISTICAL REVIEW.

THE FAILURE RECORD

DUN'S INSOLVENCY INDEX*	Apr. 1945	Mar. 1945	Apr. 1944	% Change†
Unadjusted	5.7	5.0	8.2	— 30
Adjusted, seasonally.	5.2	4.7	7.7	— 32
NUMBER OF FAILURES	90	85	131	— 31
NUMBER BY SIZE OF DEBT				
Under $5000	48	34	53	— 9
$5,000-$25,000	32	33	60	— 47
$25,000-$100,000	10	11	14	— 29
$100,000 and over	..	7	4	—100
NUMBER BY INDUSTRY GROUPS				
Manufacturing	26	26	37	— 30
Wholesale Trade	6	7	9	— 33
Retail Trade	43	37	56	— 23
Construction	7	10	20	— 65
Commercial Service	8	5	9	— 11
	(Liabilities in thousands)			
CURRENT LIABILITIES	$980	$3,880	$3,524	— 72
TOTAL LIABILITIES	$980	$3,880	$3,757	— 74

*Apparent annual failures per 10,000 enterprises.
†Per cent change of April 1945 over April 1944.

FAILURES BY DIVISIONS OF INDUSTRY

(Current liabilities in thousands of dollars)	Number Jan.–April 1945	Number Jan.–April 1944	Liabilities Jan.–April 1945	Liabilities Jan.–April 1944
MINING, MANUFACTURING	103	128	5,960	6,402
Mining-Coal, Oil, Misc.	9	3	1,305	1,037
Food and Kindred Products.	4	11	180	765
Textile Products, Apparel	8	10	74	298
Lumber, Lumber Products	18	21	1,101	1,957
Paper, Printing, Publishing.	6	11	326	124
Chemicals, Allied Products	5	7	25	287
Leather, Leather Products	2	1	18	427
Stone, Clay, Glass Products.	3	5	134	427
Iron, Steel, and Products	12	8	422	113
Machinery	11	31	355	930
Transportation Equipment	10	2	687	200
Miscellaneous	13	18	1,333	254
WHOLESALE TRADE	19	37	355	533
Food and Farm Products	7	15	173	172
Apparel	1	2	22	29
Lumber, Bldg. Mats., Hdwr.	2	7	101	177
Miscellaneous	9	13	59	155
RETAIL TRADE	132	198	1,020	1,336
Food and Liquor	20	46	131	365
General Merchandise	6	7	38	43
Apparel and Accessories	14	22	136	110
Furniture, Furnishings	3	9	13	86
Lumber, Bldg. Mats., Hdwr.	8	8	46	60
Automotive Group	14	13	74	105
Eating, Drinking Places	44	62	377	411
Drug Stores	8	9	77	51
Miscellaneous	15	22	128	105
CONSTRUCTION	35	63	1,411	825
COMMERCIAL SERVICE	32	53	3,554	704
Highway Transportation	11	16	2,869	412
Misc. Public Services	1	..	66	..
Hotels	1	..	461	..
Laundries, Cleaning, Dyeing	3	7	56	117
Other Personal Services	4	20	21	102
Business, Repair Service	12	10	81	73

FURTHER INFORMATION

DUE TO war-time restriction on use of paper and the desire to conserve as much space as possible, the features appearing on this page are necessarily given in very abbreviated form.

MORE DETAILED data on the various subjects are published each month in DUN'S STATISTICAL REVIEW. For example, building permit values for each of the 215 cities are given, with a breakdown by geographical regions. (A ten-year record of building permit values for 215 cities is available upon request.) With the bank clearing data there is also comparative data for the three preceding years, for the preceding month, and cumulative data for the year.

FAILURE STATISTICS are presented by States, by large cities, by Federal Reserve Districts, by industries and trades and by size of liabilities. Canadian failure statistics by Provinces are included.

THE WHOLESALE price indexes are presented for a much longer period of time. There is also a summarized presentation of other wholesale price index numbers, both United States and foreign. . . . The annual subscription to DUN'S STATISTICAL REVIEW is $1 a year.

WHOLESALE FOOD PRICE INDEX

The index is the sum of the wholesale price per pound of 31 commodities in general use:

1945		1944		1945		
May 22	$4.08	May 23	$3.98	High	$4.11	Feb. 13
May 15	4.08	May 16	4.01	Low	4.08	May 15
May 8	4.09	May 9	4.03	1944		
May 1	4.10	May 2	4.03	High	$4.09	Dec. 12
Apr. 24	4.10	Apr. 25	4.02	Low	3.98	May 23

DAILY WHOLESALE PRICE INDEX

The index is prepared from spot closing prices of 30 basic commodities. (1930-1932 = 100).

	May 1945	April 1945	Mar. 1945	Feb. 1945	Jan. 1945
1	176.81	†	176.37	175.12	* ....
2	176.86	176.53	176.31	175.23	175.16
3	176.95	176.63	176.33	174.97	175.35
4	176.97	176.75	†	†	175.33
5	176.98	176.93	176.46	175.42	175.38
6	†	176.92	176.49	175.33	175.42
7	177.05	176.90	176.50	175.36	† ....
8	177.07	†	176.30	175.22	175.66
9	176.66	176.38	176.29	175.26	175.44
10	176.51	176.47	176.32	175.31	175.64
11	176.52	176.46	†	†	175.63
12	176.66	176.59	176.34	*	175.56
13	†	176.58	176.46	175.50	175.60
14	176.52	*	176.48	176.11	† ....
15	176.82	†	176.43	176.07	175.47
16	176.59	176.54	176.40	176.10	175.57
17	176.63	176.63	176.44	176.01	174.88
18	176.65	176.64	†	†	175.50
19	176.71	176.55	176.48	176.08	175.49
20	†	176.49	176.48	176.11	175.37
21	176.62	176.30	176.54	176.19	† ....
22	176.76	†	176.62	*	175.43
23	176.87	176.54	176.60	176.15	175.39
24	176.84	176.67	176.53	176.14	175.08
25	......	176.96	†	†	175.23
26	......	176.99	176.48	176.27	175.18
27	......	176.92	176.38	176.28	175.06
28	......	176.93	176.41	176.32	† ....
29	......	†	176.36		175.28
30	......	176.89	*		175.22
31	......		176.41		175.37

† Sunday. * Market closed.

BUILDING PERMIT VALUES—215 CITIES

Geographical Divisions:	April 1945	April 1944	% Change
New England	$2,572,972	$1,773,024	+ 45.1
Middle Atlantic	14,417,872	5,156,143	+179.6
South Atlantic	8,262,931	2,999,496	+175.5
East Central	12,169,313	10,874,953	+ 11.9
South Central	6,684,306	5,081,691	+ 31.5
West Central	3,060,221	4,271,736	— 28.4
Mountain	2,746,350	1,518,903	+ 80.8
Pacific	11,247,881	13,114,067	— 14.2
Total U. S.	$61,161,846	$44,790,013	+ 36.6
New York City	$9,035,965	$2,596,604	+248.0
Outside N. Y. C.	$52,125,881	$42,193,409	+ 23.5

BANK CLEARINGS—INDIVIDUAL CITIES

(Thousands of dollars)

	April 1945	April 1944	% Change
Boston	1,558,937	1,434,044	+ 8.7
Philadelphia	2,838,000	2,558,000	+10.9
Buffalo	280,800	263,830	+ 6.4
Pittsburgh	1,117,602	1,103,788	+ 1.3
Cleveland	946,680	888,265	+ 6.6
Cincinnati	511,870	459,067	+11.5
Baltimore	669,322	616,365	+ 8.6
Richmond	320,501	292,604	+ 9.5
Atlanta	625,400	582,400	+ 7.4
New Orleans	351,429	350,944	+ 0.1
Chicago	2,232,819	1,975,340	+13.0
Detroit	1,511,114	1,537,787	— 1.7
St. Louis	783,961	736,468	+ 6.4
Louisville	309,160	278,751	+10.9
Minneapolis	594,135	549,492	+ 8.1
Kansas City	840,672	750,436	+12.0
Omaha	298,742	295,793	+ 1.0
Denver	254,897	235,956	+ 8.0
Dallas	528,438	464,688	+13.7
Houston	466,390	423,484	+10.1
San Francisco	1,204,497	1,150,588	+ 4.7
Portland, Ore.	308,120	306,172	+ 0.6
Seattle	416,959	371,222	+12.3
Total 23 Cities	18,970,445	17,625,484	+ 7.6
New York	23,957,559	21,033,475	+13.9
Total 24 Cities	42,928,004	38,658,959	+11.0
Daily Average	1,717,120	1,546,358	+11.0

April were moderately below a year ago. Shipments, in contrast, continued heavy and were about 8 per cent above a year previous. Durable goods shipments were approximately at the same level as last year while those of non-durable goods, especially chemical, have increased.

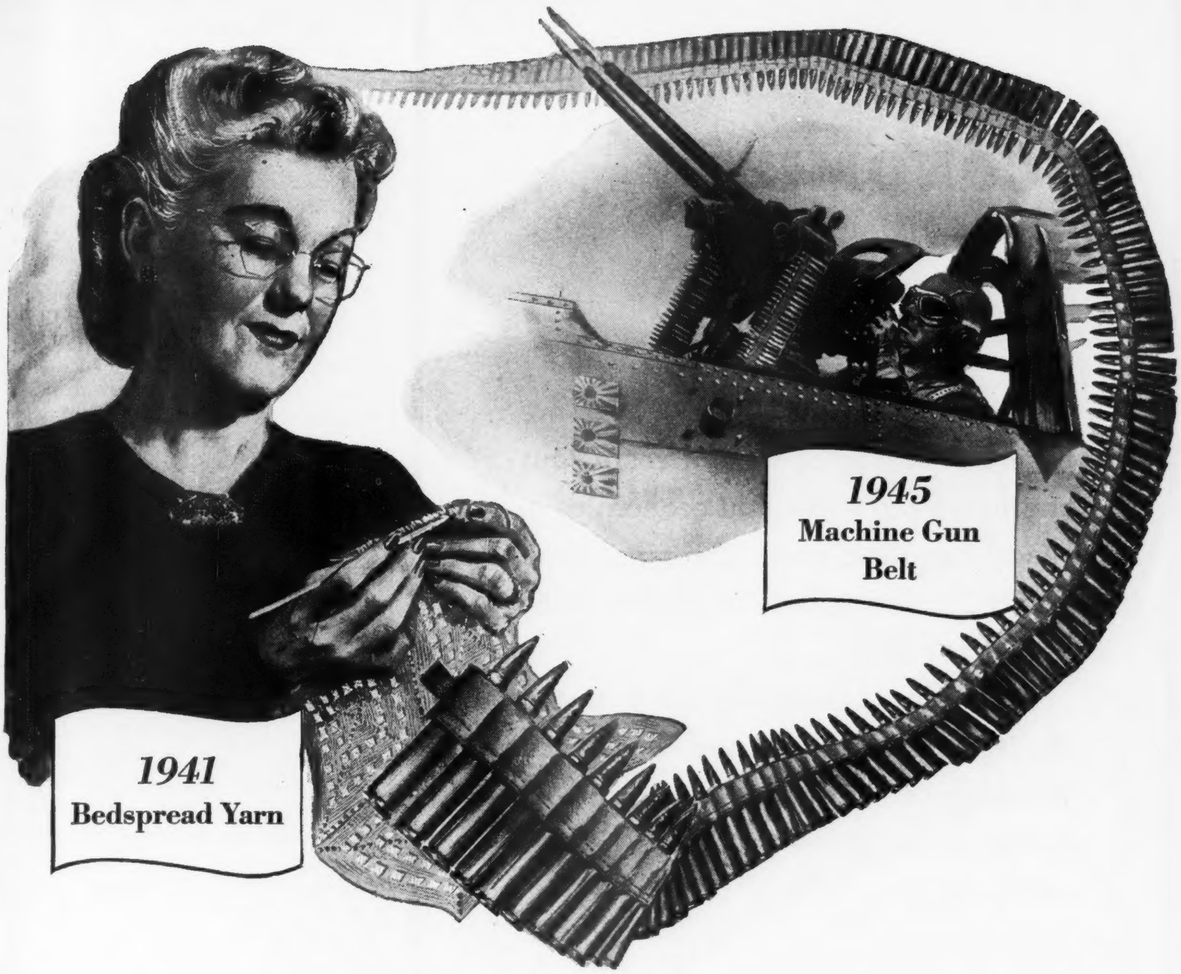
Stocks of retailers have dropped off and inventory replacements are becoming more difficult with each succeeding week; inventories in some lines are at a very low point. Staple goods are in especially scant supply. While retail inventories are low in relation to the heavy demand, they are above a year ago. Wholesale stocks are mostly unchanged, continuing the gradual monthly decline.

Employment—Factory employment continues to follow closely the pattern of industrial activity. While employment is declining gradually and is below a year ago, it is still at a very high level. The dearth of labor, however, is at an acute stage, according to fragmentary data now available. Many returning veterans are working in essential industries thus relieving the shortage which prevails in some vital lines. While many factories are operating at close to peak levels, it is not enough to supply necessary amounts of goods; scarcity of skilled workers is the chief bottleneck to quick reconversion, especially in some metal and textile industries.

Total employment in April rose to 51,160,000 persons, 330,000 more than a month earlier and about even with a year earlier. Unemployment in April was at the low level of 770,000 persons (Bureau of the Census). Cutbacks and cancellations to date have had only minor effects on the labor situation. The cutbacks in new ship construction accounted for a decline in employment in the transportation equipment group. Employment in the trade groups is holding up well.

Income—Reflecting the steady movement downward in industrial activity, factory payrolls declined further in April. However, wages are at a very high level, 45 per cent above those in 1942, and more than three times pre-war levels. In March payrolls of the steel industry reached $154,976,700, a record for the industry.

Income payments to individuals in March increased about a billion dollars to $13,700,000,000. The month's rise



The thread that reached the sky

ONCE you used it for bedspreads—now it makes the machine gun belts our fighter pilots use. Thread becomes a mighty lifeline when science takes it over.

Twenty-nine years ago—to produce better the kind of tire you wanted—we started to manufacture our own tire cord. That's how the Textile Division of United States Rubber came into being.

Today, "U. S." Textile Division is producing nylon, rayon, all types of synthetics, while cotton thread is improved and put to wide and varied uses. Aided by extensive scientific research, we became geared to change and demands for improvement. We learned to make *new things right.* Meeting your needs for stronger tires expanded into meeting your needs for better living.

Today, "U. S." Textile Division is meeting your needs for victory. With war, men and women with the ability to turn crocheting yarn into yarn for machine gun belts were ready. These belts are precision products—like the bullets they hold, the guns they feed, the instruments of the plane itself. They must be tough as steel yet pliable as rubber; with every stitch, every twist, scientifically precise. These belts must be *right.*

And they are... thanks largely to you.

It was you—back in peacetime—who wanted tires of the highest quality. We started a Textile Division to help produce your kind of tires. You wanted textiles of great endurance and comfort. That inspired us to expand our Textile Division. When Pearl Harbor changed America's status—we were already geared to change our output. Our members were old hands at producing new things right.

Fabrics are a vital part of most of the rubber products you use. The science behind textiles goes hand-in-hand with the science behind rubber. Both are working to meet our war needs of today and your postwar needs of tomorrow.

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was chiefly due to interest and dividend payments. In the first quarter of this year, income payments stood at $163,-900,000,000, a record annual rate.

Prices—Commodity prices in April reached a new high, chiefly because of the increase in food and fuel prices. The BLS index in the third week of May stood at 105.8 per cent of the 1926 average, another war-time peak. Prices were almost 2 per cent higher than a year ago. The continued high prices in early May were attributed to the rise in coal prices and to the minor increases in lumber, meats, and grains. Since 1939 building material prices have increased about 30 per cent, with the largest increases in lumber and paints.

The underlying trend in prices was reflected in living costs in April. The BLS cost of living index was estimated at 127 per cent of the 1935-1939 average, slightly above a month earlier. Retail prices in April were mostly unchanged.

Retail—Fluctuating closely with the high level of income, total retail volume continues moderately over a year ago. While shortages have affected volume adversely, particularly in staple merchandise, sales increases over a year ago remain substantial in lines where stocks are available. There has been a slight tapering off in seasonal buying of men's and women's furnishings and ready-to-wear. This decline has been partly attributed to the greater consumer consideration for values and utility. Housefurnishings and food were moving rapidly with marked difficulties in obtaining replacements of merchandise.

In the wholesale markets volume increased slightly in the first half of May with a mild increase in buyers' attendance, but a cautious attitude prevailed. Need for replacements sustained demand in general; seasonal requirements boosted volume in some lines. Total wholesale volume is estimated about 5 per cent above a year ago. Merchandise of all kinds is in constant demand, but distributors reported that they lack goods with which to fill many orders.

Finance—Although stock trading volume in April was only slightly above a month earlier, turnover was the largest for any month since 1937. Prices advanced to the highest level since September 1939. Rail averages rose to the highest point since 1937. In the first half of May, stock prices


REMOTE CONTROL MOWER
PUSH BUTTON KITCHEN
JUKE-BOX TELEVISION


Report on Lighting and Electronics

were firm but averaged lower; peace stocks were stronger than reconversion stocks.

Federal Reserve member bank holdings of U. S. Treasury issues attained a new peak of $20,720,000,000 on the second Wednesday in May; this was $629,000,0000 more than a month earlier and $7,471,000,000 above the corresponding 1944 figure. Excess reserves of member banks have fluctuated slightly below the billion dollar mark since March 21. In the second week of May member bank reserve balances reached $15,029,000,000. The increase since April 11 of $436,000,000 in member bank reserves was partly accounted for by the gain of $826,000,000 in reserve bank credit and a decrease of $90,000,000 in non-member deposits and other Federal Reserve accounts counterbalanced by an increase in money in circulation of $368,000,000 and a decline of $65,000,000 in gold stock. The Federal Reserve ratio (total reserve to deposit and Federal Reserve note liabilities) dipped further in the month to 46.5 per cent from 47.9 per cent.

Failures—In April 90 business failures occurred, the highest number so far this year although only two-thirds as high as in April 1944. This marked the tenth consecutive month in which the number of failures has been below 100. In fact, except for these ten months and one other, March 1944, there have never been less than 100 failures in any month in over 50 years of failure history. When April's failure rate is projected to an annual basis, DUN'S Insolvency Index indicates a little over five failures per 10,000 business enterprises.

Aggregate liabilities of concerns failing in April dropped to one-fourth the amount in the corresponding month of last year and were the lowest of any month on record. This sharp downtrend reflected the scarcity of failures involving large liabilities. Only ten of the month's failures involved liabilities between $25,000 and $100,000 and, for the first time in the history of failure compilation, there were no concerns failing with liabilities of $100,000 or more. Small failures with liabilities under $5,000 comprised over half the total failures for the month; this was the only size group to show an increase over March and to come within 10 per cent of the number in the previous April.

In all industry and trade groups, failures fell below last year's level. The

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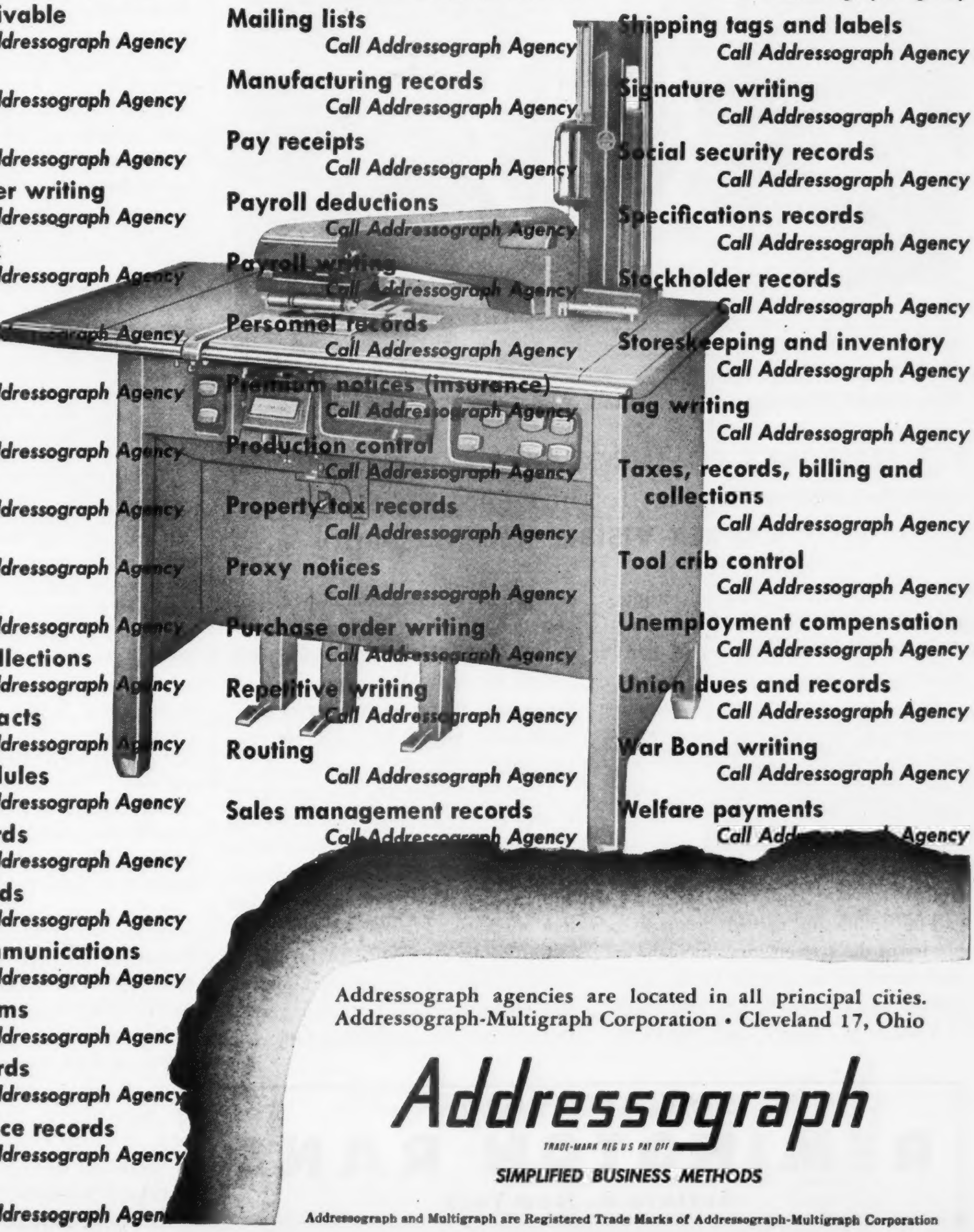

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decline was slightest in retailing and commercial services. It was most severe in construction where only one concern failed in April 1945 for every three in the same month last year. In specific lines of industry and trade, only slight fluctuations marked the trend in failures this April as compared with the corresponding month of 1944. In only three lines (building contracting, sub-contracting, and personal services) did the changes amount to five or more failures. Nearly all of the sharp drop in liabilities in April occurred in manufacturing (food; lumber; and stone, clay, and glass industries) and in construction, while aggregate liabilities in some twelve lines were actually larger in April this year than a year ago.

One half the 25 largest cities reported some failures in April. These cities accounted for two-thirds of the month's total number of failures and one-half its liabilities. Of the 54 concerns failing in the metropolitan areas, 31 were in New York City. Cleveland was the only other city with as many as five failures. In 27 States there were no failures during April; 17 other States averaged only two each. Compared with April 1944, Ohio and Oregon were the only States with a gain this April of five or more failures; New York, Illinois, Missouri, and California were the only States with a decline of five or more.

Business Population—During the first half of 1944, the number of businesses in the United States increased by 54,000 so that on June 30, 1944, they totalled 2,893,900, according to data just published in the SURVEY OF CURRENT BUSINESS. Retailers continue to comprise almost half of the total concerns in business. Stores in all major retail groups increased in number in the first half of 1944 with filling stations gaining the most. The several lines which declined slightly in that period included general stores with food, meat and seafood, home furnishings, drug, and hardware—farm implement outlets.

In the service trades the total number of enterprises increased from 545,100 on December 31, 1939 to 553,800 on June 30, 1944. The number of hotels decreased from 21,400 to 18,400, of automobile repair shops from 55,000 to 50,500, and of amusement enterprises from 37,000 to 35,800. In contrast, the number of manufacturing concerns in every classification decreased or remained unchanged with the exception of the lumber and furniture and of the stone, clay, and glass groups.

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RCA radiophoto transmits pictures halfway around the world and prints them—*in a matter of minutes!*

And thanks to RCA research, pictures now come through the receiver (shown above) just about as sharp and clear as the originals themselves.

Through RCA radiophoto, today's "news shot" in Honolulu or Cairo can make tomorrow morning's front page. Or—blueprints for a disabled power generator can be flashed to London—saving hundreds of vital war production hours.

Advertisements, fingerprints, documents and letters are radiophotoed by RCA Communications—as many as 2000 a month! Even musical scores—such as the new "Trio" by the great composer Shostakovich—are sent by faster, error-proof radiophoto.

RCA has long been a pioneer in all fields of international communications. Progress is constantly maintained by scientific research . . . research that is reflected in all RCA products.

When you buy an RCA radio, or television set, or Victrola—made exclusively by RCA Victor—you enjoy a special pride of ownership in knowing that you possess one of the finest instruments of its kind that science has yet achieved.

Notice the great improvement in clarity, as well as in speed—both results of RCA research. Radiophoto prints are no longer blurred by a "pattern." Today, they're about as clear and sharp as the original photograph snapped thousands of miles away.

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HERE *and* THERE *in* BUSINESS

WHAT'S NEW AS OBSERVED BY THE AGENCY'S REPORTERS

Guess-Proof Lubrication—Through a simple system of matching colors developed by the American Standards Association, unskilled labor can be guided in applying the right grease or oil to machinery. The standard was developed not only to facilitate the lubrication of machinery, but also to cut down the increasing amount of damage to machinery in war plants resulting from misuse of lubricants by unskilled labor.

The code was devised to make the application of the right lubricant so simple that the least skilled employee could hardly err. There has been created a basic system of color markings to be applied to the containers of a given lubricant and also to the points where each lubricant should be applied. The lubricating device such as the oil can or grease gun likewise is marked with the same color either by paint or decalcomania, requiring the serviceman only to match colors to be sure that each lubricant is being correctly used.

Eight general classes of lubricants are covered in the code, each of which is designated by an identification color. The oils are divided into five classes and the greases into three. A general purpose class and a special purpose class exists for both oils and greases. The three remaining classes of oils are: machine tool spindle oils, gear oils, and hydraulic oils. The third class of grease is for anti-friction bearings.

The lubrication containers need only a clearly visible patch of color such as a solid three-inch circle. Where more than one kind of lubricant in the same class is used, the code suggests that distinctions between these lubricants be made by the use of different numbers marked on the class identification color.

Job Safety Training—A complete course of instruction for an intensive training program for foremen and supervisors in the principles of job safety is incorporated in a manual published by the National Foremen's Institute, Inc., Deep River, Conn. The loose leaf 6½ by 9 inch 70-page manual, with four supplements, presents a practical technique for preventing accidents and is applicable to every type of job.

The training course consists of five-two hour sessions patterned after the War Manpower Commission's Training within Industry program. The manual is designed to serve as a working tool in conducting the safety sessions which are based on actual cases provided by participated members.

The first chapter (lesson) of the informal course, intended to be given to a class of no more than 10 members, consists of defining the program and then demonstrating and analyzing a job by way of demonstration. The second lesson is devoted to spotting the dangers in a job and acting to correct them; the third, presentation of cases by class members and analysis of these. The worker who handles the job unsafely is considered in lesson four. Lesson five hinges on fixing responsibility for safety with stress on proper supervision.

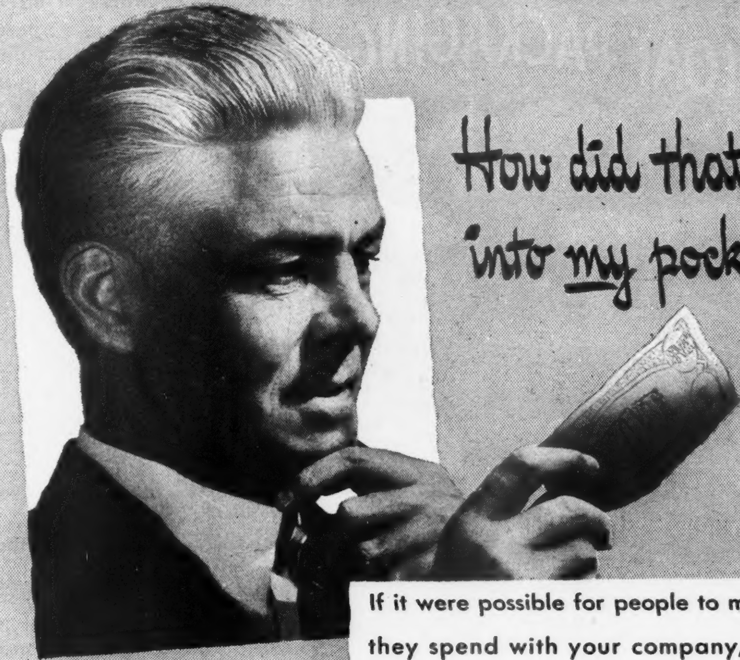
Other chapters deal with situations arising after job safety training such as when foremen break in new people; the relation of the safety record to promotion; and instruction aids in setting up a continuous safety program.

Good Lighting—The absolute necessity for safety sake of not only installing good industrial lighting but of maintaining it at peak efficiency is effectively summarized by J. L. Kilpatrick, illuminating engineering department, Westinghouse Electric & Manufacturing Company, Bloomfield, N. J.

"Industrial accidents can be reduced by the installation of good lighting. Hundreds of factories, large and small, have lighting systems wholly inadequate for safety," warns Mr. Kilpatrick.

"Inadequacy may exist in new installations," he continues. "Good lighting must be engineered to prevent eye fatigue, to eliminate glare both direct and reflected, to minimize shadows, and to provide see-ability for the prevention of accidents. There are a number of light sources and innumerable lighting fixtures which, properly engineered, can provide good lighting for any specific plant. It is essential that competent illuminating engineers should be consulted when changes in lighting are contemplated."

Providing good lighting on the basis of the initial installation is not enough, Mr. Kilpatrick cautions. "The lighting system must be maintained and a depreciation factor must be provided in



How did that get back into my pocket?

If it were possible for people to mark every dollar they spend with your company, they would be amazed at the number of dollars that quickly return to the public's pocket . . . *through salaries, taxes, purchases of materials and a hundred other channels.*

While it may be difficult for people to see, to feel, to understand how this money gets back into their own pockets, it's easy for you to tell them. And by letting them know, you can create goodwill for your company, and for Private Enterprise as a whole. It's a job for public relations advertising.

Your advertising in The New York Times can do this important job most effectively, for The Times is read from coast to coast by the kind of men and women whose private opinion exerts a strong influence on the public opinion of America.

The New York Times

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the design of the lighting system," he declares. "Otherwise an installation which was quite satisfactory when installed may, in a comparatively few months, provide a lighting system which is only one half, or even one third, as much as the original. Thus, it becomes obvious that poor lighting maintenance in itself produces an accident hazard.

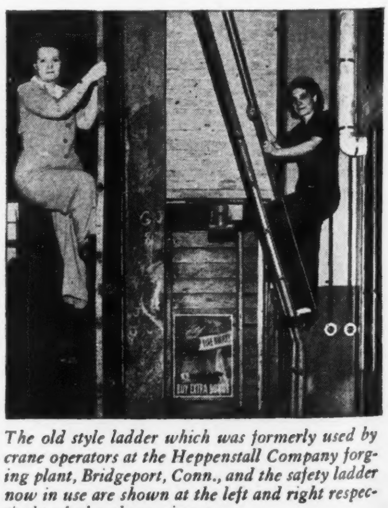
"No matter what kind of a plant you operate, no matter how few or how many workers you employ, your accident records will be better, just as your production records will be better, if you provide good lighting which results in see-ability. But always remember that you must provide good lighting continuously."

Motor Selector—A check list intended to help design engineers and production executives "motor plan" their post-war products by providing them with an easy step-by-step method for selecting the correct type and size of fractional horsepower motor for any application has been issued by the Dunmore Company, Motor Division, Racine, Wis.

With data presented in outline style and illustrated in color the booklet (16 pages, eight and a half by seven inches) tells how to decide on horsepower, duty cycle, and speed. Fractional horsepower motors are described according to type, characteristics, typical applications, controls, and modifications.

Crane Operators—A safety measure which offers widespread application has eliminated accidents attributed to slipping on crane ladders in the Heppenstall Company forging plant, Bridgeport, Conn.

When women employees replaced



The old style ladder which was formerly used by crane operators at the Heppenstall Company forging plant, Bridgeport, Conn., and the safety ladder now in use are shown at the left and right respectively of the above picture.

All that "fritters" isn't gold bricking

• You can see your employees aren't idle—yet their productive record shows hours of unaccountable work . . . time frittered away. Gold bricking? It's doubtful because, too often, an outside agent controls their ability . . . for the worst.

Forms—obsolete forms—may well be the culprit here. Forms that don't do the job they should . . . don't properly furnish departmental co-ordination, don't give the hows and whens of business transactions—cause needless and unnecessary work—hold up and slow down essential operations throughout the entire organization.

If you—like many busy executives—have always regarded forms as mere adjuncts to routine, Uarco may have something new to show you. For Uarco has made a science of creating better forms . . . prefabricating papers and carbons into forms that keep the flow of work moving smoothly, efficiently from purchasing to production.

Half an hour spent with the Uarco representative in examining your present forms may result in a substantial saving of time and money for you. Call him—soon.

for instance . . .

Here's one of Uarco's many time-saving forms . . . the Multi-Linkt. It's especially useful when forms must be typed continuously. Carbons are inter-leaved—papers aligned—no special equipment needed. Forms neatly stacked behind the typewriter feed the machine as the typist types. For added information, write today.

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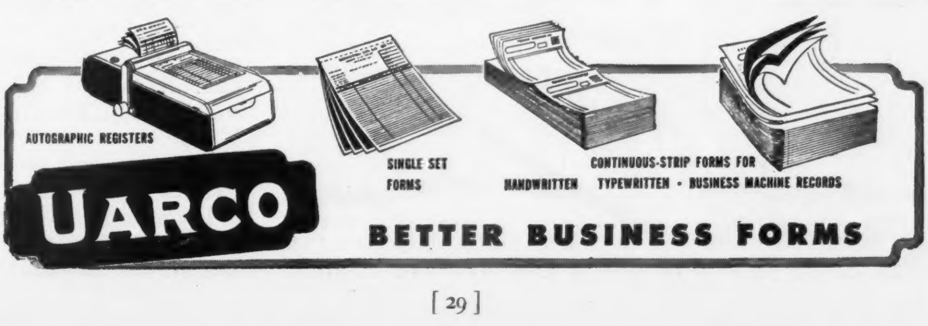

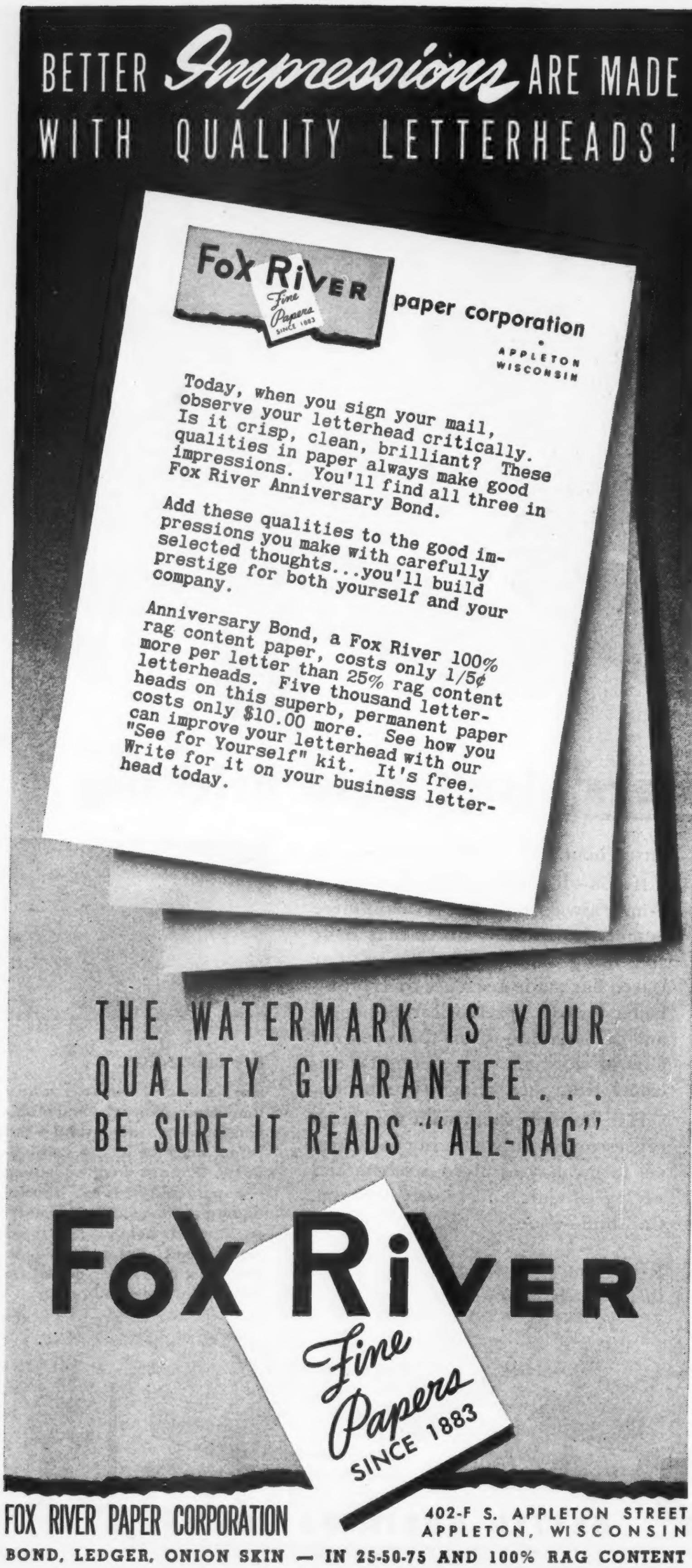

male crane operators who had entered the Armed Forces, the former had difficulty in using the steel ladders which extended from the machine shop floor vertically upward to the catwalks of the overhead cranes. The uprights of the ladders also served as handrails.

These ladders were replaced with an improved type of steel ladder which rises vertically for five feet and then has a 70 degree slope up to the catwalks. Two steel handrails, starting at a little over five feet from the floor, parallel the uprights.

Personal Mailroom—In the belief that a letter from a boy or girl at the front increases the worker's morale, the Faichney Instrument Corporation, Watertown, N. Y., manufacturers of clinical thermometers, has established a personal mailroom. The room contains tables and stationery and workers may call for their mail before going off shift.

Employees receive special delivery and airmail letters sooner via this factory mailroom. They are notified immediately when such letters arrive and can call for them at the end of the shift.

Workers employed in the mailroom are those who wish to help on the home front but who cannot do regular factory work.

Correct Sealing—The eight steps required in perfect sealing of cartons are demonstrated in a 12 by 18 inch wall chart offered free for shipping room use by the Mid-States Gummed Paper Company, Chicago.

Emphasis is given to the four main elements of correct sealing, namely: (1) the container is no stronger than the sealing tape that seals it; (2) proper storage of sealing tape is essential; (3) tape machine and moistener must be kept clean; and (4) correct application assures effective, economical sealing. Also emphasized is economy of material, adequate re-inforcement of points of strain, and obtaining maximum protection of contents and carton.

Annual Report—The *Yearbook* of the American Home Products Company, New York, emphasizes the current trend toward more attractive and more informative annual reports to stockholders. This is a spiral-bound, 78-page, 7½ by 10 inch brochure which is distinctive both for its charts and pictures.

The booklet, which presents the story of the company—its nature, its activities, and how they affect the lives of the

people of America—contains numerous charts of which more than a half dozen are in color. The report is enhanced by gravure pictures of products and company activities. An entire section of the report is devoted to a camera record of events, personalities, and activities of the year from the standpoint of management, production, and distribution.

The inside front cover contains maps showing the location throughout the United States and the world of American Home Products sales headquarters, laboratories, plants, and warehouses. Photographs of a group of its better known products are displayed on the inside back cover.

Photographs—Boeing Aircraft Company is effecting time-saving in pattern-making by cutting templates directly from photographic reproductions on sensitized plywood. Interior and exterior (waterproofed) types of plywood, varying in thickness from one-eighth of an inch to two inches, are similarly treated for producing wiring boards, form blocks, instruction boards, display photographs, and other uses.

Plywoods most commonly used are Douglas fir and maple. These are sensitized with a liquid-type emulsion directly on either the unpainted or painted surfaces of the wood. A preliminary coat of white paint improves the contrast, making reading easier.

Liquid photo emulsion is applied to the surface of the plywood by using a paint spray gun, the interior of which has been chrome or silver painted to prevent contamination from the brass parts of the gun. Actual spraying is carried on in a standard spray booth which is located in a ruby-lighted room.

Jobs for the Disabled—Thousands of jobs which can be performed by disabled veterans and other disabled workers are being uncovered as the result of extensive surveys which are being made throughout the 29 plants of the Carnegie-Illinois Steel Corporation, subsidiary of the United States Steel Corporation. Typical of such surveys is the one recently issued by the Carnegie-Illinois Duquesne (Pennsylvania) Works (54 pages, 8½ by 11 inches, Mimeographed).

Department by department there is carefully tabulated, the work which can be performed by employees suffering such deficiencies as loss of vision of one eye, missing fingers or a whole hand or arm, toes or an entire leg, or suffering from a weak back, heart or

Keeps B-29 Brakes in Shape "when the Heat is On"

When a B-29 "Superfortress" comes roaring out of battle into a short, emergency landing strip, fifty tons of airplane must be braked to a stop ...*fast.*

No ordinary metal can curb such tremendous landing momentum.

As the brakes take hold, friction generates sudden heat. Conventional cast iron brake drums would get out of shape...possibly jam, or fail.

That's why a braking surface made of an alloy cast iron containing NICKEL is bonded to a steel drum — making a bi-metal brake drum that will not crack under sudden temperature changes which cause distortion and wear. NICKEL is the metal that gives alloys stamina to withstand severe service.

...just as it Fights Distortion in Big Bus Brakes

The sure, rapid action of the brakes of a heavy truck or bus is a similar example of NICKEL'S ability to make cast iron stand up against the distortion caused by heat. Here, too, brakes have got to hold...or else. In this and dozens of ways, versatile NICKEL is your "Unseen Friend"... part of everybody's everyday life...like the hairspring in your watch or the steering knuckles on your car.

The International Nickel Company, Inc.

New York 5, N.Y.

International Nickel—world's largest miners, smelters and refiners of Nickel and the Platinum metals...the producers of INCO Nickel alloys, including MONEL and INCONEL.

BUY AND HOLD

7th

WAR LOAN BONDS

circulatory condition, impaired hearing, or a nervous disorder. Thus when a veteran returns with any of these deficiencies the survey shows what jobs are open for him provided that he otherwise qualified. The surveys in the respective plants were made under the direction of the safety director.

Carnegie-Illinois Steel Corporation has informed its employees in service of its re-employment policy through a 16-page four by seven-inch booklet. Relating to the disabled veteran this pamphlet states that the plants are making careful studies of jobs and job contents to determine what existing occupations offer suitable occupations for persons suffering from various types of disabilities, and what additional legitimate and productive occupations can be created through re-allocation of job content.

Perfect Secretary—Slanted toward new personnel, a useful guide in any business office is the booklet entitled "The Perfect Secretary," 32 pages 4½ by 6 inches, published by the Eaton Paper Corporation, Pittsfield, Mass.

This comprehensive booklet is an orientation course in making a good start with one's fellow workers, satisfying one's employer, speaking correctly over the telephone, and writing correct business letters, including selecting the proper stationery and using care in spelling, division of words, punctuation, capitalization and salutations.

Tips are given on care of the typewriter, choosing correct papers for all typing, and filing.

Maternity Policy—The Allis-Chalmers Manufacturing Company, West Allis, Wis., has adopted a maternity policy which is planned to protect the health of the worker through eliminating the case of concealment of pregnancy—fear of losing one's job.

Women employees report to the head nurse upon the first indication of pregnancy. During the interview the employee is requested to obtain from her family physician a statement on a company prescribed form indicating whether she may continue at work and for how long.

When the statement is submitted the worker is permitted to stay on her job or is transferred to other work until she is ready to leave prior to confinement. The company then grants a six-months leave of absence followed by a second if this is necessary.

While on the job pregnant women are limited to eight hours work in any


L C SMITH

one day and 48 in a week. They likewise are transferred from jobs requiring heavy work, continuous walking or standing, excessive reaching or jarring, and so on.

GROSS PRODUCT

(Continued from page 11)

was no greater tendency for wives of unemployed men to join the labor force than for wives of employed men.[7]

All this discussion of the benchmark estimate in the past is only the first step in estimating the labor force in the future. Even were there no question over the 1940 base to be used, it would be necessary to estimate the increase during the next decade to obtain the 1950 figure. Here again, the Bureau of the Census provides a most helpful starting point. It has estimated the "normal" labor force for each year in the decade 1940 to 1950—the labor force which would be expected if the trends of preceding years had continued after 1940. No allowance is made, therefore, for abnormal circumstances arising from the war, which will be discussed later, or for changed economic conditions, which has already been discussed. With the constant addition of 1.3 million discussed in the first part of this article, these estimates are:

	Millions
1940	54.6
1941	55.3
1942	56.0
1943	56.7
1944	57.3
1945	57.9
1946	58.5
1947	59.0
1948	59.5
1949	60.0
1950	60.5

It is obvious that the main factor underlying these estimates is the actual increase in the population. More careful scrutiny indicates that the rate of increase is slackening through the period. The Bureau of the Census explains this as "due principally to two factors: (1) the reduction in the rate of population increase, and (2) long-term declines in the proportions of workers among boys and girls of school age, among men and women over 65, and to some extent among men in the intermediate age group. The effect of these two factors is modified by the in-

[7] Reported in Long in a footnote on page 25 of the paper described in footnote 6 of this article.

creasing proportions of women in the labor force between 20 and 65 years of age, and by the shifting age composition of the population."

It is certainly reasonable to expect these trends to continue. Long before the war the impassive Census was registering a growing tendency in the young to learn more before working and in the old to work less before retiring. Educational opportunities will hardly be less after the war. The G. I. Bill of Rights will be competing with the labor force for ex-military manpower. Consonant with our present vigorous social trends, child labor laws may become even more stringent in both aim and enforcement.

Toward the darker end of the life span, the trend toward earlier retirement is certainly not going to be discouraged by the broadening of old-age benefits and pension plans that are under way. And while distant trends sometimes influence each other in strange way, the susceptible American's awareness of the aging process, as induced by years of old-age annuity advertisements, can hardly be expected to fade with the final hardening of Japanese military arteries.

Women in Industry

To what extent will the invasion of industry by women (females to the austere Census) make up, from the labor force standpoint, for the declining rate of growth in our general population? The Census projections of past trends anticipate a considerably larger proportional increase in "normal" manpower from the women than from the men. (From 1945 to 1950 the number of females in the normal labor force is expected to increase by 2.1 per cent per year, the number of males by 4.0 per cent.) The principal forces behind this trend, as seen by the Census, have been the movement away from farms, the decline in self-employment, the falling birth rate, and the progressive lightening of housekeeping duties.

In its effort to establish a "normal" labor force, it was clearly not the immediate responsibility or purpose of the Census to add private opinions on the number of emergency war workers who would remain in the labor force, or on how the pulling power of war would compare with that of prosperity, or on whether past limits to the "size" of the labor force were set primarily by the discouragement of people lying beyond it or by their relative independence, or on the size of the armed forces in 1950, or on the relative value

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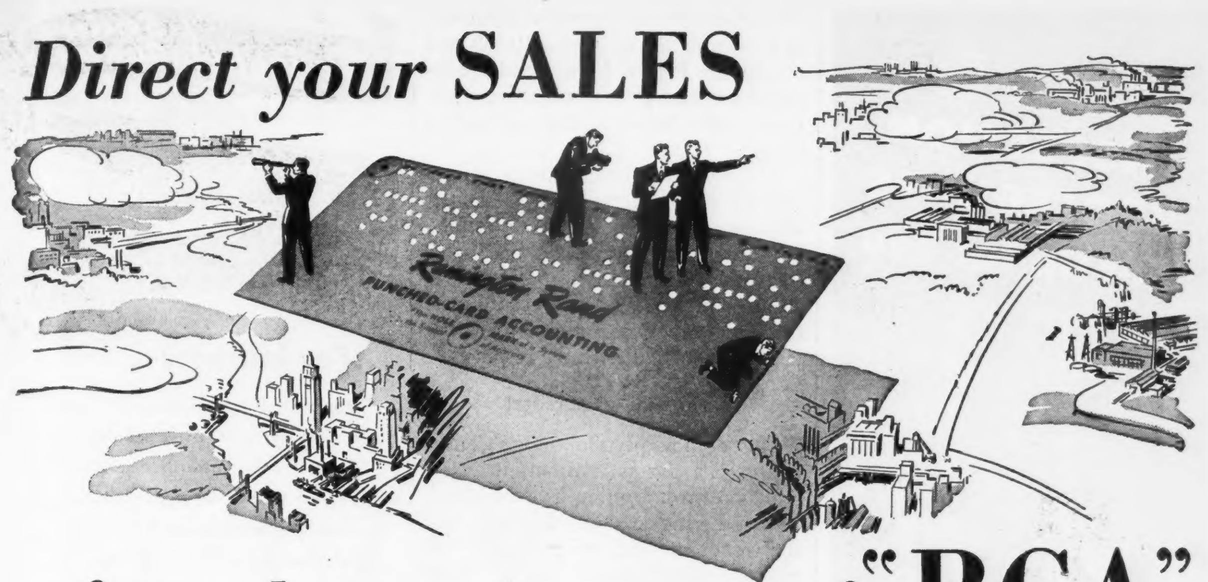

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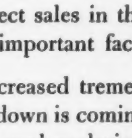

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of workers at various levels of efficiency, or on inclination to work. Its job was to provide a base from which judgments on such purely subjective questions could depart at the will of the judges.

The Bureau of the Census recognizes that the war has temporarily deranged the operation of these various factors, but it does take the position that, "after the war and the ensuing period of readjustment to peacetime conditions, the basic trends in the growth of the labor force are likely to be resumed."

"Normal" Increases

Most of the experts follow the Census approach as far as "normal" increases are concerned, arguing as does Mr. S. Morris Livingston,[8] for example, that the trends may be affected, but there are conflicting lines of influence. Thus as far as an increased proportion of women in the labor force is concerned, the loosening of old ties and habits during the war and the lessened opportunities for marriage because of casualties may give more than normal play to their entrance. On the other hand, war weariness and the still undisclosed novelties and distractions of our next era could impair their force. In any event, the trend will some time have to taper off.

Livingston recognizes the presence of many factors making for deviations from the normal. He also recognizes, however, that they are hard to evaluate and seems to feel that the over-all vulnerability to error of such long projections makes it rather fruitless to look for precision on abstract points. The effect is as though the different considerations offset each other.

It is difficult to separate the influence of various factors considered by each author, and Dr. Tucker's difficulty with the 1940 base has already been covered. His estimate of 58.3 million for 1950 takes that factor into account, but appears to "allow liberally" for increasing employment of women, and to anticipate an acceleration of the education-retirement trends, under the benign influence of increased educational opportunities, G. I. grants, pensions, and retirement plans. Particularly in times of rising national income does he expect such acceleration.

Long gives no quantitative estimates. However, he does say that no change is to be expected in the age and sex composition of the labor force as to

[8] Livingston, S. M. "Postwar Manpower and its Capacity to Produce," *Survey of Current Business*, April 1943; "The Measurement of Postwar Labor Supply and the Capacity to Produce," address before the American Statistical Association, December 28, 1944.

affect its over-all size. He expects the decreasing proportion of young persons in the labor force to continue, and a slightly increasing proportion of mature women in the labor force. He believes that the extension of withdrawal of older workers will not go beyond pre-war levels.

The net result, as he sees it, is "a labor force larger only by reason of the growth in population." If one reduces this statement to figures, Long's estimated 1950 labor force might under some assumptions work out at an increase over 1940 of some 3.5—4.0 million; the Bureau of the Census estimate of the normal increase for the period is 5.9 million.

Experts Differ

The area of widest diversity among the experts is that of what will happen to the men and women who came into the labor force primarily because of the war and who would not normally have entered it. The Bureau of the Census estimates that in 1943 the labor force (including the Armed Forces) was larger by approximately 6 million than would have been expected from the trends. They have responded to the insistence of the draft board, the lure of patriotism or high pay, or have been obliged to work for a living during the absence of their young men in the Armed Forces.

Of those who have taken the war plunge, some will come out shivering and for others the water will be fine. Their burdens lifted with the end of hostilities, some will retire. An inevitable few will no longer be wanted by employers except in a severe labor shortage running beyond most notions of healthy prosperity. Some unknown percentage, however, will have found the extra money very pleasant. Some will have proved themselves so capable as to be under employer pressure to stay. Some will not wish to give up good jobs until they are sure that their menfolk can get better ones. Some will like the independence. Some may even have found that they like to work. Life is inscrutable.

There is general agreement among the experts that the majority of these emergency workers will disappear. There is disagreement as to whether the number remaining will be one, two, or even three million—or none. Whatever their number it is reduced by almost all estimators to the extent of war casualties, usually set arbitrarily at about a half million.

Thus Livingston and *Fortune* make no allowances beyond the over-all con-

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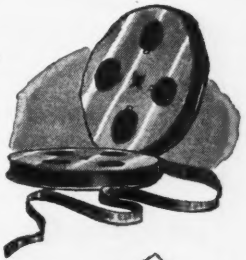

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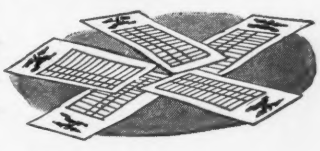

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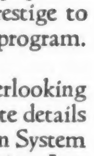

tinuance of the trends as utilized in the calculations of the Bureau of the Census. Mr. Karl T. Schlotterbeck[9] had previously examined the composition of the emergency labor force at different age levels and normal occupations, and concluded that almost all would withdraw except youths who had gone to work prematurely and might stay on. The bulk of the latter, however, would presumably have entered the "normal" labor force long before 1950, after which by definition they are out of the "emergency" category.

War Workers Permanent?

Dr. Tucker, on the strength of elaborate independent analyses of age groups, agrees that the number of war workers remaining in 1950 can hardly exceed the number of casualties. Long likewise takes the position that "signs do exist that the additions during the war will not remain in the labor force when peace comes."

However, some of the experts do believe that a substantial number of the war workers (or their successors who without the personal precedents would otherwise never have entered the labor market) will be permanent additions to the labor force. The Hagen-Kirkpatrick estimate[10] expects a million war workers to remain in the labor market whereas the estimates so far cited count on practically all of them withdrawing or remaining only in numbers sufficient to offset about ½ million war casualties. Their estimate therefore has the effect of adding ½ million workers in excess of casualty replacements. Dr. Woytinsky is also willing to add a possible 1 million carry-over for the special war contingent.

The National Planning Association in "National Planning for Full Employment" chooses the Census 1950 figure of 60.5 million "normal" labor force (including an average for seasonal workers) as its starting point. It grants inferentially that, of a 6 million war emergency contingent, a great majority of the youth would have eventually entered anyway and most of the older people would have retired or died. Typically, it is not so sure about the women. It refers to opinions by experts ranging from a million to 3 million[11]

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[9] Schlotterbeck, Karl T. "Postwar Re-employment," Brookings Institution, Pamphlet No. 54.

[10] Hagen, E. E., and Kirkpatrick, N. B. "The National Output at Full Employment in 1950," *American Economic Review*. September 1944.

[11] The Bureau of Labor Statistics' study indicates that in April 1944 there were in the emergency labor force less than two million women in ages from 20 to 64, and that of these 400,000 were service wives. The large number of war marriages and the bumper crop of babies from 1940 to 1944 is also regarded by some analysts as a probable deterrent to job-seeking.

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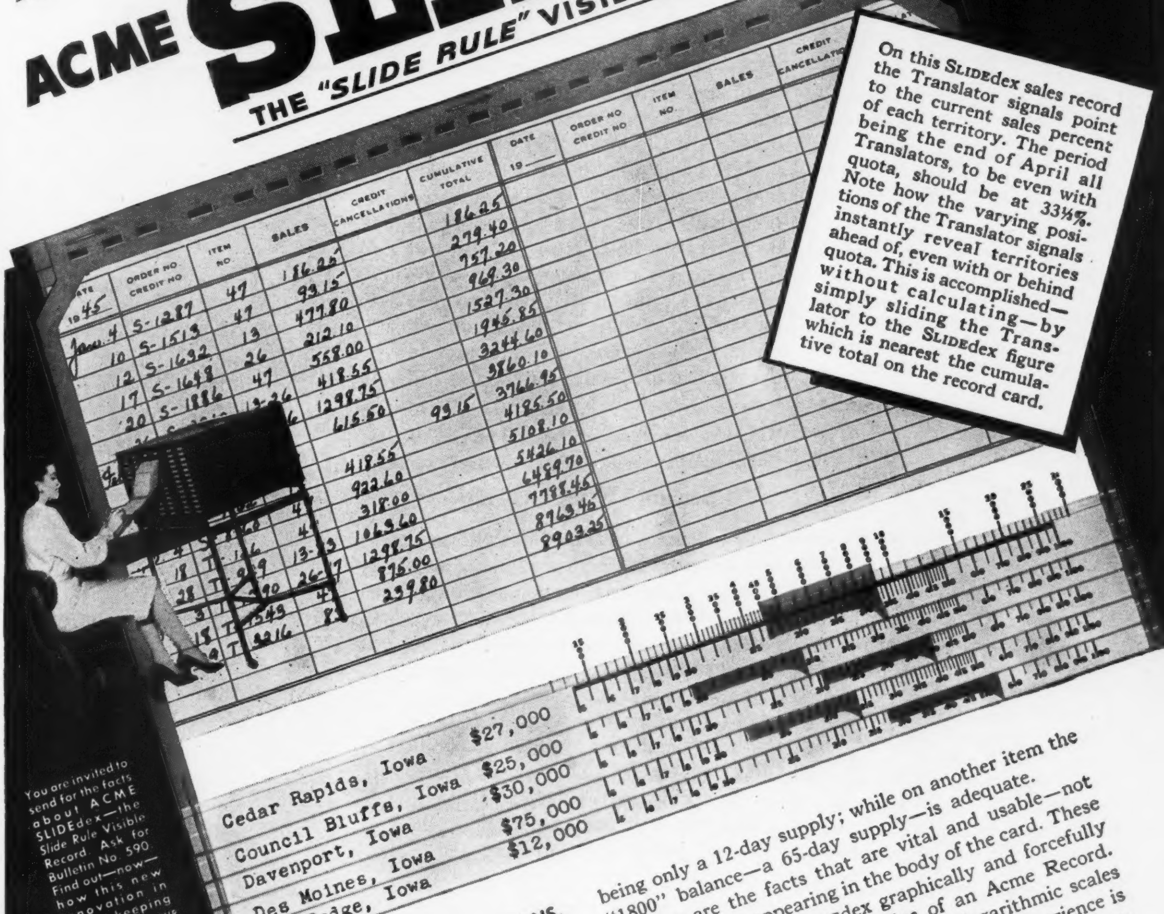

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as to the number of the total 6 million that will stay in the labor force if they can, and finally puts the figure at what it calls a middling $1\frac{1}{2}$ million, against which may be offset the "standard" $\frac{1}{2}$ million war casualties.

Dr. Mosak likewise anticipates a substantial residue from the extra workers. He expects 2.3 of the present 6.7 million extra war workers to remain in the post-war labor force. (This analysis was based on the Bureau of Labor Statistics' study of wartime extras.) Included in the 2.3 million are the additional youths drawn into "jobs" by the Army and Navy over the number that would otherwise be seeking them.

Mr. Arno Johnson[12] has the second highest labor force in the list—62 million. This is merely because his interpretation[13] of the vague and contradictory clues we have as to the post-war intentions of special war workers is that as many as 3 million may desire to keep on working. No special deduction was made for war casualties, although in the absence of specific comment a still further $\frac{1}{2}$ million draft on present war workers might be imagined for their replacement.

"Seeking Work" Group

One element in labor force estimates which should not be passed by without mention, is the group who come under the head of "seeking work"—the labor float, the number of unemployed during a general state of full employment. The figure does not affect this total labor force estimate as much as it affects the number of jobs required to obtain full employment. The experts scatter rather evenly in the range of $1\frac{1}{2}$ to 3 million, with the exception of the *Fortune*[14] estimate of 4 million.

In conversations with the author, Dr. J. K. Galbraith of the Board of Editors of *Fortune* holds to the opinion that the 4 million unemployment figure assumed in their analysis of January 1944 for the year 1947 would still hold for 1950. This figure is higher than almost any of the other estimates. It was based originally although only in part upon a belief that the migration of large numbers of war workers to war plants in different parts of the country would not quickly be modified to correspond with new regional patterns of production and job openings in the post-war period. This disinclination to retrace steps or undertake new migration is now assumed to persist through 1950.

[12] Johnson, Arno H. "Fifty-Seven Million Jobs," address before the Sales Executive Club of New York, February 6, 1945.
[13] As suggested in conversation with the author.
[14] "Transition to Peace," *Fortune*, January 1944.

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	Total
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Wholesaling	4,987
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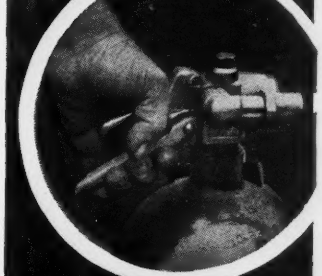

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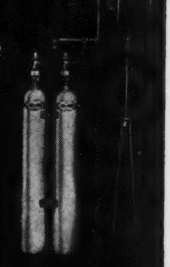

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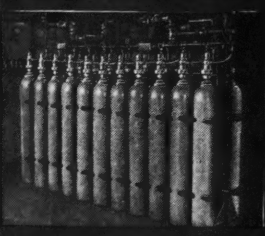

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Many workers have become acclimated to their new homes, climates, environments, or society, and may cling to them even at the cost of prolonged dislocation. In addition, of course, the *Fortune* editors took cognizance of an irreducible labor float or frictional unemployment present in all of the other estimates.

Effect of Military Training

Finally, although it is generally regarded that there will be a substantial military establishment after the war, this is by no means a source of net increase to the labor force. Most of the men are in the age groups which are almost entirely in the labor force anyway. Like the labor float, its significance is chiefly in that it directly affects the number in the labor force left to be taken care of by the civilian economy. The actual estimates range from 2 to 3 million in the armed forces in 1950.

Universal military training after the war would of course have the effect of increasing the number of people for whom "jobs" would be provided as well as provide the "jobs" themselves. Many of the new soldiers would already have been working and should not be counted twice in any post-war labor force. Probably a small number, however, will be taken from school, and so, in estimates of the number of civilian jobs needed, must be added to the total "labor force" before the "armed forces" are deducted.

A reverse difficulty occurs with respect to the probable size of our Armed Forces after the war. As will be noted from the master table, estimates range from 2 to 3 million. That discrepancy in itself makes a small but still appreciable difference in the number of civilian jobs that must be provided. And it is not fair to hold this discrepancy against the estimators. They are not really trying to crowd out the Commander-in-Chief, whatever the merits of a new approach. But they have to assume *some* figure for the military in order to get on with their major calculations. The outside difference in the end is the difference between the output of about ½ million men in private employment and their much less tangible contribution as soldiers.

Mr. Livingston's method of analysis precluded the necessity of deducting the 1950 military contingent to arrive at a civilian labor force. When he estimated increasing productivity per worker he did so on the basis of the country's record in this respect from

1929 to 1941. By 1941 the Army and Navy had already begun to grow, and Mr. Livingston observed that the rate of that growth from 1929 to 1941 if extended to 1950 would come out at just about the size of the military establishment expected in the latter year. Thus his original proportions between military and civilian output would be still valid without the necessity of computing per capita outputs for each.

The *Fortune* analysis, while carrying only into 1946 and 1947, paralleled Livingston's general reasoning to a large extent, so the same labor force of 60 million plus by 1950 has been imputed to this analysis with *Fortune's* consent, in this discussion. In estimating the *civilian* labor force *Fortune* deducted an assumed 3½ million for their 1946 Army and Navy. To arrive at the total used in the comparison of Gross National Product estimates (DUN'S REVIEW, May 1945, see especially table I), we have arbitrarily reduced this figure to a possible 1950 level of 2½ million, and added back a figure for the cost of their maintenance—which, after the fashion of these estimates in treating Government employees, is thereupon assumed to be the "value" of their output.

The Brookings Institution joint projection and forecast by Dr. Joseph Mayer ("Postwar National Income—Its Probable Magnitude") took for its labor force the results of the previous Brookings study by Karl T. Schlotterbeck ("Postwar Re-employment—the Magnitude of the Problem"). For 1947 the total thus adopted and used by Dr. Mayer was 59 million. Dr. Mayer has authorized the writer to add a possible 600,000[15] a year for the three years necessary to extend his calculations to 1950, yielding a labor force of 60.8 million. The Armed Forces in 1947 were put at between 1.5 and 2 million, and we have used 2 million to bring this speculative item in line with assumptions in some of the other estimates.

Dr. Woytinsky's estimate for the Army and Navy will be a little bigger than the Armies and Navies of most of our other analysts. They are to have at least 3 million men, probably more, because of the probability of universal military training.

Meanwhile, in the May 5, 1945, *Saturday Evening Post*, Mr. Forrest Davis has provided an interesting diversion. He writes fascinatingly of a rather exclusive universe of figures on

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[15] Subsequent revision by the Census Bureau set labor accretion toward the end of the decade at only a little above 500,000 annually, but a correction of that amount would affect the present adjustment but slightly.

our potential labor force upon which he has chanced. Davis quotes with evident approval the analysis and estimates of Dr. John Lee Coulter of the Committee of Americans, Inc. Dr. Coulter is presented by Davis as "a former member of the Tariff Commission, an agricultural authority, and an economist who takes a 'human sense' views of things." In determining the expected labor force a year or two from now, we are informed by Mr. Davis that "that field has been fairly pre-empted" by Coulter.

With estimates for total labor force of 55 million and for civilian employment of 50 million Dr. Coulter arrives at the lowest of all the estimates in the field. He is of the opinion that a labor force of 60 million is an "almost impossible goal of employment opportunities." Some of the difference is unreal since Dr. Coulter compares his estimates for 1945 with those of other investigations for later years when the population would have increased.

Coulter's analysis is largely based on a different definition of labor force than is used by the Bureau of the Census, and on a novel view of the future labor force propensities of the very young and the very old. Virtually all seasonal workers, especially agricultural workers entering the labor force in June, July, and August should be eliminated from labor force measurement in the opinion of Coulter. By so doing Coulter seems to deny the validity of an "average" for the year as a statistical device of measurement. As for the young and old, Coulter is of the opinion that the continuation of past trends and "policies" will result in the withdrawal from the labor force of most youths from 14 to 17 years of age, and most older men and women of 65 years and up. The elimination of these groups results in a figure which Coulter calls the "real regular national labor force." He regards a labor float figure of 2 million, and a military requirement of 2 million as reasonable.

There can be no certain decimal points for uncertainties and imponderables involved in discussing the requirements for full employment in 1950. There are people who fear that America will underestimate the seriousness of its postwar responsibilities, and who for that reason may tend to resolve all reasonable doubts on the upside. There are other people who fear that by blowing up the national job to the limits of mathematical decency the country will be made to strain for a rate of growth

that is not needed and cannot be achieved. A supplementary fear may be that business will subsequently have to take a serious rap for even an illusion of failure.

Perhaps the surprising thing is that, after all these factors have been weighed and considered, the labor force estimates vary only from 58.3 to 62.8 millions, and that the estimates for full employment call for civilian employment ranging only from 53.3 to 58.8 millions. On the basis of the earlier figures given, the 1940 labor force was 54.6 million persons, and the civilian employment was about 47 millions. The postwar problems of employment cannot be stated more briefly.

POST-WAR PLANS

(Continued from page 15)

turers of chemicals, automobiles, aircraft, ships, electrical machinery, and rubber products. The only notable exception to this generalization is found in the textile field where more manufacturers of textile mill products plan changes than do makers of apparel and other finished textile products. In the metal field more machinery manufacturers plan changes than do iron and steel producers; and more furniture manufacturers and makers of finished lumber products than producers of lumber and timber basic products.

When the responses are tabulated by regions which correspond roughly to the twelve Federal Reserve districts, it is found that except for new products or new lines expected to be introduced, the variation from region to region is comparatively small.

The Kansas City and Minneapolis regions are exceptions, the proportion of manufacturers planning changes in these areas being substantially above the average. The fact that neither of these regions is normally considered as industrial suggests that the high percentages of concerns planning to make changes may result from the number of war plants built in these regions in the last two or three years for which new uses will need to be found when peace returns.

In the Richmond region, on the other hand, the proportion of manufacturers planning changes is well below that of other areas. This may reflect the fact that the Richmond area (which includes Virginia, most of North Carolina, and a large part of Maryland) contains a

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CONTINUED IN FIRST COLUMN ON NEXT PAGE→

large number of tobacco and textile manufacturers—lines in which the industry tabulations show a relatively small proportion of producers planning changes.

In the wholesaling field also, regional differences are comparatively small, except (1) in the Dallas district where the proportion of traders expecting to make changes is substantially larger than in the rest of the country, and (2) in the Cleveland district in which the proportion is consistently although slightly below the average.

The progressive attitude of the wholesalers in the Dallas district is doubtless a reflection of the rapid growth of that territory and the bright future believed to be in store for it. The reason for the lower standing of the Cleveland region is less clear. One possibility is that trade growth in that area may be expected to be retarded in the future by further decentralization of the automobile, automobile parts, rubber, and iron and steel industries which has been under way for a number of years.

The differences between the responses of manufacturers and wholesalers in particular districts are more marked. For instance, in the whole Southern tier of States included in the Richmond, Atlanta, and Dallas regions, wholesalers are much more disposed to make changes in their lines, customers, territories, and methods of distribution than are manufacturers. The reason may be the expectation of a rapid expansion of the consumer market in this region as the economic opportunities of workers are improved through further industrialization and other factors.

In the remaining regions, which include the principal manufacturing areas of the United States, the proportion of manufacturers planning to alter their methods and products is much nearer that of wholesalers. It is in such industrial areas that one finds the keenest competition, and as a corollary, the manufacturers with the strongest competitive instincts and the most aggressive and ambitious plans.

On every question except that relating to expansion of sales territories, in most regions the percentage of wholesalers expecting to alter their practices is larger than that of manufacturers. In the predominantly industrial regions of Philadelphia, Chicago, St. Louis, and San Francisco, and in the Minnesota and Kansas City regions as well, the proportion of manufacturers expecting to expand their coverage is larger than

the proportion of wholesalers who plan to do so. Apparently, producers in the industrial regions believe that they have already pretty fully covered present markets and, with capacity increased by the war, must seek other worlds to conquer.

Altogether the picture presented by this survey is of a composite business management in which the spirit of enterprise is very much alive: in which the search for increased volume, lower costs, and greater service to customers is continuous and widespread; in which the general attitude is that the field is still open to all and the opportunities almost without limit.

From the economist's point of view the prospect is an interesting one. Although it may seem to each individual business that the expansion of its lines, its sales territories, and its customer lists is entirely feasible, the total market for goods in the aggregate must be increased greatly if all the concerns which expect to grow substantially after the war can actually do so. It has, of course, been pointed out by various authorities that a very considerable increase in the total demand for goods must take place if we are to achieve anything like full employment after the war.

One of the most considered and reasonable attitudes was exhibited by an air transport concern which wrote in connection with the questionnaire "We have no plans for altering our basic product which is a first class air transportation service. However, we do expect to supplement this service and expand our market as quickly as operating costs can be reduced to the point where substantially lower fares and cargo rates are economically possible." This attitude takes account of the fact that markets themselves can be enlarged, without taking business away from competitors, by reducing costs (and prices) to the point where the products or services come within reach of buyers which previously could not afford them.

THE BAROMETERS

The revised DUN'S REVIEW Regional Trade Barometers, including back figures, adjusted and unadjusted, together with additional information, are available in pamphlet form. The barometers, appearing in DUN'S REVIEW since 1936, measure consumer buying for 29 regions of the U. S. and for the country as a whole. They help sales executives to analyze sales, adjust quotas, and to check sales volume with total consumer expenditures.